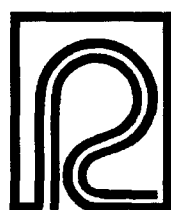
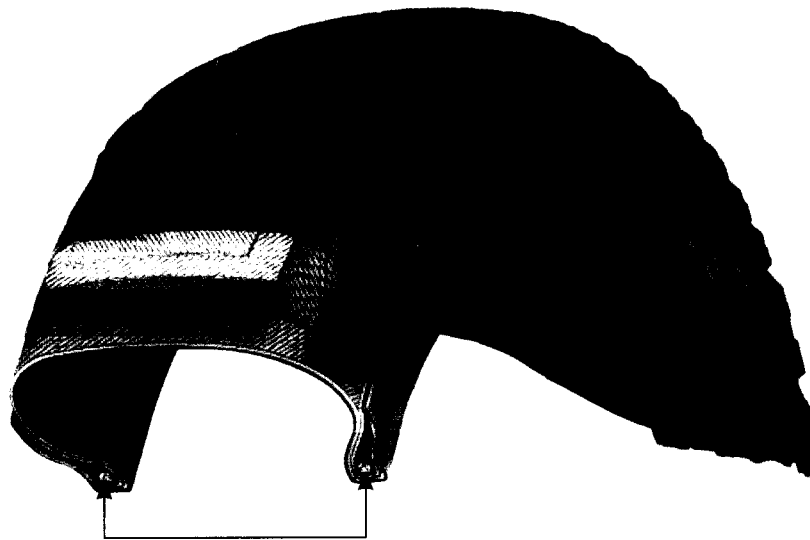


*Seventeenth Annual Report*  
*2004-2005*

Report  junction.com



**RAJRATAN**  
**GLOBAL WIRE**  
**LIMITED**



## **TYRE BEAD WIRE**

Rajratan has been producing bead wire since 1995 for the tyre industry at its modern factory at Pithampur, which is 25 kms. from Indore, a prominent business city in central India. The quest for quality, excellence and progress driven by the total dedication of a competent and professional management team is the hallmark of Rajratan.



## BOARD OF DIRECTORS

Mr. Chandanmal Chordia  
Mr. Mofatraj Munot  
Mr. Nihalchand Kothari  
Mr. S.S. Mehta  
Mr. P.D. Nagar  
Mr. Chandrashekhar Bobra \*  
Mr. Abhishek Dalmia \*\*  
Mr. Sunil Chordia  
Mr. Dilip Deshmukh  
Dr. Ing. Ernst Wolf #  
Mr. Sanjay Pasari #

*Chairman & Whole-time Director*  
*Director*  
*Director*  
*Director*  
*Director*  
*Director \**  
*Director \*\**  
*Managing Director*  
*Executive Director*  
*Director #*  
*Director #*

# resigned on 21st July 2004

\* appointed on 21st Jan. 2005

\*\* appointed on 21st Apr. 2005

## COMPANY SECRETARY

Mrs. Anjali Javeri

## BANKERS

State Bank of India  
Commercial Branch,  
A.B. Road, Near G.P.O.,  
Indore - 452 001 (M.P.)

IDBI Bank Ltd.  
Alankar Chambers,  
Ratlam Kothi, A.B. Road,  
Indore - 452 001 (M.P.)

Indusind Bank Ltd.  
Industry House,  
A.B. Road,  
Indore-452 001 (M.P.)

## AUDITORS

Trilok Jain & Co.  
Chartered Accountants  
Bansi Trade Centre, M.G. Road,  
Indore 452 001 (M.P.)

## REGISTRAR & TRANSFER AGENT

Intime Spectrum Registry Limited  
Investor Relation Center,  
307, City Center, IIIrd Floor,  
570, M.G. Road,  
Indore - 452 003 (M.P.)  
Phone : 0731-2544512

## REGISTERED OFFICE

RAJRATAN HOUSE  
11/2, Meera Path, Dhenu Market,  
Indore - 452 003 (M.P.) INDIA  
Phone : 0731-2533716, 2534103, Fax : 0731-2542534  
Website : www.rgwl.co.in

## PLANT

Plot No. 200-A & B, Sector I,  
Industrial Area, Pithampur  
District Dhar (M.P.) INDIA  
Phone : 07292-253375, 253429, Fax : 07292-253357

## NOTICE

NOTICE is hereby given that Seventeenth Annual General Meeting of the Members of the Company will be held on Saturday the 11th June, 2005 at 10.00 A.M. at the Registered office of the Company at 11/2, Meera Path, Dhenu Market, Indore, Madhya Pradesh -452 003 to transact the following:

### I. ORDINARY BUSINESS:

1. To consider, approve and adopt the Balance Sheet as at 31st March 2005 and the Profit and Loss Account for the year ended on that date and the Director's and the Auditor's Report thereon.
2. To consider and approve payment of dividend.
3. To appoint a director in place of Mr. P.D. Nagar, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. S.S. Mehta, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s Trilok Jain & Co., Chartered Accountants, as Statutory Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

### II. SPECIAL BUSINESS BY ORDINARY RESOLUTION:

#### 6. REVISION OF REMUNERATION OF MR. CHANDANMAL CHORDIA, CHAIRMAN AND WHOLE-TIME DIRECTOR OF THE COMPANY

To consider and if thought fit to pass with or without modification(s) if any, the following resolution as an **ORDINARY RESOLUTION** :

**"RESOLVED THAT** pursuant to provisions of Section 198, 269, 302, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of members be and is hereby accorded for revision and increase in the remuneration of Mr. Chandanmal Chordia, whole-time Director, of the Company w.e.f. 1st April, 2005 for the remaining tenure of his appointment as under :

- a) Basic Salary : Rs. 70,000/- per month
- b) House Rent Allowance : Equivalent to 25% of salary
- c) Leave Travel Allowance : Reimbursement once in a year subject to maximum of one month's salary.
- d) Medical Allowance : Reimbursement during the year subject to a ceiling of one month's salary.
- e) Ex-Gratia : Equivalent to one month's salary for every financial year.

#### 7. REVISION OF REMUNERATION OF MR. SUNIL CHORDIA, MANAGING DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as an **ORDINARY RESOLUTION** :

**"RESOLVED THAT** pursuant to provisions of Section 198, 269, 302, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956,

approval of Members be and is hereby accorded for the revision and increase in the remuneration of Mr. Sunil Chordia, the Managing Director of the Company, w.e.f 1st April, 2005 for the remaining tenure of his appointment as under :

- a) Basic Salary : Rs. 1,00,000/- per month
- b) House Rent Allowance : Equivalent to 25% of salary
- c) Leave Travel Allowance : Reimbursement once in a year subject to maximum of one month's salary.
- d) Medical Allowance : Reimbursement during the year subject to a ceiling of one month's salary.
- e) Ex-Gratia : Equivalent to one month's salary for every financial year.

#### 8. REVISION OF REMUNERATION OF MR. DILIP DESHMUKH, EXECUTIVE DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as an **ORDINARY RESOLUTION** :

**"RESOLVED THAT** pursuant to provisions of Section 198, 269, 302, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of Members be and is hereby accorded for the revision and increase in the remuneration of Mr. Dilip Deshmukh, Executive Director of the Company w.e.f. 1st April, 2005 to 31st May, 2005 i.e. for the remaining tenure of his appointment as under :

- a) Basic Salary : Rs. 80,000/- per month
- b) House Rent Allowance : Equivalent to 25% of salary or actual rent free accommodation whichever is less.
- c) Leave Travel Allowance : Reimbursement once in a year subject to maximum of one month's salary.
- d) Medical Allowance : Reimbursement during the year subject to a ceiling of one month's salary.
- e) Ex-Gratia : Equivalent to one month's salary for every financial year.

#### 9. RE-APPOINTMENT OF MR. DILIP DESHMUKH AS EXECUTIVE DIRECTOR OF THE COMPANY

To consider and if thought fit to pass with or without modification(s), if any, the following resolution as an **ORDINARY RESOLUTION** :

**"RESOLVED THAT** in terms of provisions of Sections 198, 269, 302, 309, 310 read with provisions of Schedule XIII to the Companies Act, 1956 approval of the members of the Company be and is hereby granted, for the re-appointment of Mr. Dilip Deshmukh as whole time Director and designated as the Executive Director for a further period of two years w.e.f 1.6.2005 on the following remuneration:

- a) Basic Salary: Rs. 80000/- per month.
- b) House Rent Allowance: Equivalent to 25% of salary or actual rent free accommodation whichever is less.
- c) Leave Travel Allowance: Reimbursement once in a year

subject to maximum of one month's salary.

- d) Medical Allowance : Reimbursement during the year subject to a ceiling of one month's salary.
- e) Ex-Gratia : Equivalent to one month's salary for every financial year.

**RESOLVED FURTHER THAT** all the decisions and actions taken by Mr. Dilip Deshmukh, as Executive Director of the Company from the date of re-appointment till the date of the Annual General Meeting be and are hereby ratified and confirmed."

#### 10. APPOINTMENT OF MR. CHANDRASHEKHAR BOBRA AS DIRECTOR

To consider and if thought fit to pass with or without modification(s), if any, the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** in terms of provisions of section 257 of the Companies Act, 1956, approval of the members of the Company be and is hereby granted for the appointment of Mr. Chandrashekhar Bobra as a Director of the Company liable to retire by rotation."

#### 11. APPOINTMENT OF MR. ABHISHEK DALMIA AS DIRECTOR

To consider and if thought fit to pass with or without modification(s), if any, the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** in terms of provisions of section 257 of the Companies Act, 1956, approval of the members of the Company be and is hereby granted for the appointment of Mr. Abhishek Dalmia as a Director of the Company liable to retire by rotation."

By Order of the Board

Indore

Dated: 21st April 2005

**SUNIL CHORDIA**  
**MANAGING DIRECTOR**

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY AND THE PROXY IN ORDER TO BE VALID MUST BE DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE, NOT LESS THAN 48 HOURS BEFORE THE TIME FOR THE MEETING.
2. The explanatory statements setting out the material facts in respect of the business under item No. '6 to 11' in terms of provisions of Section 173(2) of the Companies Act, 1956 are annexed hereto.
3. The Register of Members and the share transfer book of the Company will remain closed from Monday 30th May 2005 to Saturday 4th June 2005 (Both days inclusive).
4. Payment of dividend as recommended by the Board, if approved at the Annual General Meeting, will be made payable on or after 16th June, 2005 in respect of shares held

in physical form to those members whose name appear in the Company's Register of Members as on 30th May 2005 and in respect of shares held in electronic form, to those "deemed members" whose name appear in the statement of Beneficial Ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of business hours on 30th May 2005.

5. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during working hours on all days except Saturdays, Sundays and holidays until the date of the Annual General Meeting or any adjournment thereof.
6. The additional information pursuant to clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking election is furnished herewith.
7. With a view to providing protection against fraudulent encashment of dividend warrants, Members holding shares in physical form are requested to provide, if not already provided earlier, their bank account number, name and address of the bank branch to the Company's Registrars & Transfer Agents, M/s. Intime Spectrum Registry Limited, in the format attached herewith, quoting their folio numbers to enable the Company to incorporate the said details on the dividend instruments. Members will appreciate that the Company will not be responsible for any loss arising out of fraudulent encashment of the dividend warrants.
8. Members are requested to notify any change in their address/ Bank Mandate to the Company's Registrars & Transfer Agents, M/s. Intime Spectrum Registry Limited, and in case their shares are held in demat form, this information should be sent to the Depository Participant with whom they hold their account.
9. Members are entitled to make nomination in respect of shares held by them. Members desirous of making nominations are requested to send Form No. 2B duly filled in and signed by them to the Company's Registrars & Transfer Agents in case the shares are held in physical form and to the Depository Participants in case the shares are held in electronic form.
10. Those members who have not received/encashed dividend warrants for the financial years 1999-2000 and onwards may return the time barred dividend warrants or write to the Company for the issue of duplicate dividend warrants. It may kindly be noted that once the unpaid/unclaimed dividend is transferred to the Central Government, no claim shall lie in respect thereof.
11. Members desiring to seek any information on the Annual Accounts to be explained at the meeting are requested to send their queries in writing to the Company Secretary at least seven days before the date of the meeting at the Registered Office to make the required information available
12. Members are requested to bring their copy of the Annual Report to the Meeting as the practice of distributing copies of accounts in the meeting has been discontinued.

**ANNEXURE TO THE NOTICE**

**Additional information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors appointed/ re-appointed, seeking re-election under item nos. 3, 4 & 6 to 11 :**

S. No.	Name & Designation of appointee	Qualifications	Age in years	Experience in Yrs.	Date of appointment	Other Directorship(s), if any (excludes Private & Foreign Companies)
1.	Mr. Chandanmal Chordia	B.Com. (Hons.)	71	45	09.09.1988	Rajratan Investments Ltd.
2.	Mr. Sunil Chordia	MBA	42	20	09.09.1988	Rajratan Investments Ltd.
3.	Mr. S. S. Mehta	BE, MBA	51	26	10.07.2003	Kriti Industries Ltd.
4.	Mr. P. D. Nagar	B. Com., LLB, FCA	60	37	10.07.2003	Ruchi Soya Industries Ltd. M. P. Glychem Industries Ltd. National Steel & Agro Industries Ltd.
5.	Mr. Dilip Deshmukh	M. Tech.	51	26	31.05.1997	NIL
6.	Mr. Chandrashekhar Bobra	B. Com, M.B.A.	48		21.01.2005	NIL
7.	Mr. Abhishek Dalmia	B. Com. (Hons.) FCA, ACWA	36	13	21.04.2005	Revathi Equipment Ltd. Lanco Industries Ltd. Saffron Agencies Ltd. Herry International Investments Ltd.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.**

**ITEM NO. 6 to 8**

Having regard to the increasing complexities in the business and whole time devotion towards the growth of the Company, the Board is of the view that the remuneration of Mr. Chandanmal Chordia, the Whole Time Director, Mr. Sunil Chordia, the Managing Director and Mr. Dilip Deshmukh, the Executive Director of the Company, should be sufficiently increased and revised.

The members at the time of their respective appointments have sanctioned the following remuneration which is proposed to be increased as under:

<u>Name of the Director</u>	<u>Existing remuneration (Per month)</u>	<u>Proposed revised remuneration (Per month)</u>
1. Mr. Chandanmal Chordia (Whole Time Director)	Rs. 60,000/-	Rs. 70,000/-
2. Mr. Sunil Chordia (Managing Director)	Rs. 80,000/-	Rs. 1,00,000/-
3. Mr. Dilip Deshmukh (Executive Director)	Rs. 65,000/-	Rs. 80,000/-

The revision in remuneration besides allowances as set out in the resolution has been approved by the Board of Directors at their meeting held on 21st April 2005.

In terms of provisions of the Companies Act, 1956, approval of the Members being sought to increase and revise their remunerations as set out in the item no. 6 to 8 of the notice by way of ORDINARY RESOLUTIONS.

Mr. Chandanmal Chordia, Mr. Sunil Chordia and Mr. Dilip Deshmukh are interested in the resolution to the extent of their remuneration and may be deemed to be concerned or interested being relatives to each other for item no. 6 & 7.

The revision as per the details furnished and as set out in the resolution has been approved by the Remuneration Committee of the Board of Directors, and on their recommendations, it has been approved by the Board of Directors at their meeting held on 21st April 2005.

The explanatory statement may be treated as an abstract under Section 302 of the Companies Act, 1956.

**Item No. 9**

Mr. Dilip Deshmukh was appointed as Executive Director of the Company by the members for a period of two years w.e.f 1st June 1997 and subsequently re appointed

after every two years for a further period of two years and his period of appointment will expire on 31st May, 2005. He has contributed significantly for the growth and development of the Company. In view of this, the Board is of the opinion that Mr. Dilip Deshmukh should continue as Executive Director of the Company on the remuneration, terms and conditions as contained in the resolution.

The Board of Directors recommend passing of resolution set out in item no. 9 as an **ORDINARY RESOLUTION.**

Mr. Dilip Deshmukh is interested in the resolution.

This explanatory statement may be treated as an abstract under Section 302 of the Companies Act, 1956.

**Item No. 10**

Mr. Chandrashekhar Bobra was appointed as additional director of the Company w.e.f. 21st January 2005 in terms of provisions of Section 260 of the Companies Act, 1956 and his tenure as the Director of the Company is expiring on 11th June 2005 being the date of the annual general meeting.

However the Company has received a notice from a shareholder for appointment of Mr. Chandrashekhar Bobra as regular Director of the Company, in terms of provisions of Section 257 of the Companies Act, 1956.

Directors recommend passing of the resolution at item nos. 10 as **ORDINARY RESOLUTION.**

Mr. Chandrashekhar Bobra is interested in the resolution.

**Item No. 11**

Mr. Abhishek Dalmia was appointed as additional director of the Company w.e.f. 21st April 2005 in terms of provisions of Section 260 of the Companies Act, 1956 and his tenure as the Director of the Company is expiring on 11th June 2005 being the date of the annual general meeting.

However the Company has received a notice from a shareholder for appointment of Mr. Abhishek Dalmia as regular Director of the Company, in terms of provisions of Section 257 of the Companies Act, 1956.

Directors recommend passing of the resolution at item no. 11 as **ORDINARY RESOLUTION.**

Mr. Abhishek Dalmia is interested in the resolution.

Indore

Dated: 21st April 2005

By Order of the Board  
**SUNIL CHORDIA**  
**MANAGING DIRECTOR**



## DIRECTOR'S REPORT

The Board of Directors have pleasure in presenting herewith 17th Annual Report together with the audited accounts of the Company for the year ended on 31st March 2005.

### FINANCIAL RESULTS:

	2004-2005	(Rs in lacs ) 2003 -2004
Profit before Depreciation	890.47	615.28
Less: Depreciation	170.57	118.62
Profit before Taxation	719.90	496.66
Less: Provision for Taxation		
-Current Tax	57.70	89.50
-Deferred Tax	205.63	53.74
Profit for the year	456.57	353.42
Less: Tax pertaining to Income of previous years	1.15	1.01
Add: Excess provision of Income Tax of previous year written back	NIL	1.25
Add: Surplus of Previous Year	31.35	38.85
Amount available for appropriation	486.77	392.51
APPROPRIATION:		
Proposed Dividend	78.33	67.51
Dividend Tax	10.24	8.65
Transfer to General Reserve	364.73	285.00
Balance carried to Balance Sheet	33.47	31.35

### OPERATIONS AND FINANCIAL RESULTS:

Sales Turnover for the year under review crossed 100 Crores by achieving growth of 46% i.e. from Rs. 71 crores to Rs. 104 crores. Profit before depreciation and tax also increased from Rs.615.28 lacs to Rs.890.47 lacs i.e. an increase of 45% from last year. Net Profit after current tax and deferred tax also raised to 456.57 lacs as against Rs.353.42 lacs in last year. Your Company's high quality product enjoys acceptance in national as well as international market. Tyre bead wire is being supplied by Rajratan to almost all major tyre manufacturing companies in India as well as exported to some South East Asian countries.

### PROSPECTS AND EXPANSION:

Considering the orders on hand, it is expected that barring unforeseen contingencies, the performance of the Company in the current year is expected to be better than FY05. Due to improving prospects, the existing capacity was proving to be in-adequate, which resulted in the Company undertaking an expansion programme. During the year the government of M.P. announced the New Industrial Policy to promote Industrial growth. Various incentives have been announced even to existing industries undertaking expansion, for which your Company has also approached the government. First phase of the expansion programme was completed and commercial production was also started by the fag end of the year. It is expected that by December 2005 the Company would be able to achieve its target to produce tyre bead wire to the extent of 30000 MT per year.

With an impressive growth rate of 8.5% during the year 2003-04 and the growth rate aimed at 7-8%, the Indian economy is well poised for a rapid growth. The Government has been continuing its thrust on the development of infrastructure, particularly roads which would lead to growth of automobile sector and tyre industry by generating more demand for commercial tyres, utility vehicles & car tyres and farm tyre segments. However, the upward trend witnessed in the prices of raw materials in the current year is an area of concern. However, your Company would continue its endeavor to neutralize the effect of these adverse factors through a combination of better productivity, higher volumes and cost control.

### WIND MILL PROJECT:

The Company installed a Wind Mill at village Nagda, Distt. Dewas M.P. for generation of power so as to reduce cost of energy. Wind mill commenced its operations in first week of October, 2004 and gross earning by generation of power through wind mill was Rs. 26.66 lacs during the period of operation. It is expected that generation of power in current year by wind mill would be much more.

### DIVIDEND:

The Directors are pleased to recommend a dividend @ 18 % (Rs. 1.80 per Equity Share of Rs. 10 each) for the financial year 2004-2005, which if approved at the forthcoming Annual General Meeting, will be paid to the shareholders whose name appears in the Register of Members as on 30th May 2005. Such dividend will not be subject to Income Tax.

### STATUS OF EXPORT HOUSE:

Your Directors are pleased to inform that your Company has received the status of One Star Export House based on the performance of the Company in exports for the preceding three years. The grant of this status will ease the procedural formalities for exports & imports.

### PREFERENTIAL ALLOTMENT OF EQUITY SHARES:

In order to meet the capital required for the expansion project and its working capital requirements the Company has allotted 601200 equity shares of Rs. 10/- each at a premium of Rs. 92/- per share aggregating to Rs. 6,13,22,400/- (Rs. Six crores eighteen lakhs twenty two thousand four hundred only) to M/s Utkal Investments Limited on 31st March, 2005.

### UTILISATION OF PROCEEDS FROM PREFERENTIAL ALLOTMENT:

The Company has received Rs.6,13,22,400/- on 31st March, 2005 through preferential allotment of 6,01,200 Shares Rs. 10/- each at a premium of Rs.92/- per share. Part of proceeds amounting to Rs.287.50 have been utilised to repay part of term loan and the balance was lying in the current account of the Company to be utilised in the current year towards expansion project.

### DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association Mr. S.S. Mehta and Mr. P.D. Nagar, Directors of the Company will retire by rotation at the Seventeenth Annual General Meeting and they are eligible for re-appointment. The Board recommends their re-appointment.

The tenure of appointment of Mr. Dilip Deshmukh, Executive Director of the Company, has expired on 31st May 2005 and the Board of Directors at their meeting held on 21st April 2005 have re-appointed him subject to approval of members in ensuing General Meeting.

Your Company has appointed Mr. Chandrashekhar Bobra as additional Directors to take advantage of his expertise in the field of management and the Board recommends his appointment as regular Director.

Your Company has also appointed Mr. Abhishek Dalmia as additional director of the Company on 21st April 2005. We expect that this association with the Renaissance Group will bring fresh perspectives to our business, which should help in taking the company to newer heights. The board recommends his appointment as regular director of the Company.

### AUDITORS:

M/s. Trilok Jain & Co, Chartered Accountants, Indore, the Statutory Auditors of the Company, are retiring at the conclusion of Seventeenth Annual General Meeting. The Auditors has furnished a Certificate as required under Section 224(1B) of the Companies Act, 1956 and has consented to continue to act as auditors of the Company for the current year, if re-appointed.

### AUDITORS' REPORT:

Report of the Auditors and their observations and notes to the accounts of the Company for the year under review are attached herewith which are self-explanatory and does not require further explanation.

### FIXED DEPOSITS:

The Company has not accepted any deposit during the year from the public and has no Public Deposits outstanding as on 31st March 2005.

### LISTING:

The shares of the Company are listed on Madhya Pradesh Stock Exchange and The Stock Exchange, Mumbai and to reduce the recurring administrative cost, the Company has already applied for delisting of securities from M.P. Stock Exchange pursuant to the SEBI (Delisting of Securities) Guidelines, 2003 and the application is still pending at the end of the exchange. The Company is regular in payment of the listing fees to Mumbai Stock Exchange. There was no suspension of trading during the year under review.

The final listing of 601200 shares allotted on preferential basis to M/s. Utkal Investments Limited on 31st March 2005, is still in process with The Stock Exchange, Mumbai.

### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of energy conservation, technology absorption etc in form A and B as required under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors)

Rules, 1988 with respect to these matters forms part of this report and are annexed hereto.

### **CORPORATE GOVERNANCE:**

Your Company has always followed the philosophy of conducting its business with the compliance of laws, rules, regulations and sound internal control system and procedures. The Company has implemented the mandatory requirement of Corporate Governance Code as prescribed by Securities and Exchange Board of India as applicable in case of your Company. A report on Corporate Governance along with Management Discussion & Analysis, and Auditor's Certificate on Compliance of conditions of corporate governance is annexed forming part of the director's report.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm:

That in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.

That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

That the directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

That the directors have prepared the annual accounts on a going concern basis.

### **PERSONNEL:**

Your Company has been able to operate efficiently because of the culture of the professionalism, integrity and continuous improvement in all functions and areas to ensure efficient utilization of the Company's resources for sustainable and profitable growth.

The employer-employee relations throughout the year remained cordial. During the year measures for training, development, safety of the employees and environmental awareness received top priority of Management. The Directors wish to place on record their appreciation of the efficient and loyal services rendered by all staff and work force of the Company, without whose whole hearted effort, the overall very satisfactory performance would not have been possible.

None of the employees of the Company drew a remuneration of Rs.24,00,000/- for the full year or Rs. 2,00,000/- per month for a part of the year and hence do not fall the under category as specified under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of the Employees) rules, 1975.

### **ACKNOWLEDGEMENT:**

Your Directors place on record their sincere thanks to the Company's esteemed shareholders, Customers, Suppliers, Associates, Auditors, Financial Institutions, Bankers, and the State and Central Governments for their valuable contribution and continued support.

Indore  
Dated: 21st April 2005

By Order of the Board  
**SUNIL CHORDIA**  
MANAGING DIRECTOR

## **ANNEXURE TO THE REPORT OF THE BOARD OF DIRECTORS**

### **A. PARTICULARS OF CONSERVATION OF ENERGY AND FOREIGN EXCHANGE EARNING AND OUTGO:**

The Company has incurred an expenditure of Rs.335736/- on foreign travels, Rs.10833/- for purchase of books & periodicals, Rs.15725/- on purchase of office equipment, Rs.6646867 on purchase of Plant & Machinery and acquiring technology towards expansion of project, Rs.11645/- on purchase of Packing Material, Rs.210298/- on Sales Promotion, Rs.14937703/- on import of raw material in foreign exchange during the year.

The F.O.B value of exports during the year was Rs. 56524158/-.

The Company is employing indigenous technology for its operations. Constant watch is kept on the consumption of energy & fuel to effect economy wherever possible. The details regarding consumption of energy are given below:

<b>Power and Fuel Consumed</b>	<b>2004-05</b>	<b>2003-04</b>
<b>1. Electricity:</b>		
(a) Purchased Units (KWH)	<b>8402157</b>	7896060
Total Amount	<b>39663030</b>	38228140
Rate/Unit	<b>4.72</b>	4.84
(b) Own Generation		
(i) Through Diesel Generator		
Units (KWH)	<b>2999957</b>	1953836
Units/Litre of Diesel	<b>3.38</b>	2.73
Cost/Unit	<b>6.46</b>	5.77
<b>2. L.P.G/ PROPANE</b>		
Quantity (Kgs)	<b>984995</b>	735915
Total Amount	<b>21791918</b>	13873056
Average Rate (Per Kg)	<b>22.12</b>	18.85
<b>3. DIESEL/SKO/LDO:</b>		
Quantity (Ltrs)	<b>475317</b>	517614
Total Amount	<b>9892317</b>	7378698
Average Rate	<b>20.81</b>	14.25
Consumption per Unit of production		
Electricity (Units)	<b>460</b>	460
L.P.G (Kgs)	<b>54</b>	52



**B. TECHNOLOGY ABSORPTION :**
**RESEARCH AND DEVELOPMENT ( R&D) :**
**1. Specific areas in which R & D activities carried out by the company:**

Your Company has facilities for in-house R & D, during the year 2004-05, following were the major thrust areas of R & D:

- Reduction in variations through process improvements
- Wastage reduction
- Higher customer satisfaction.
- In-house improvement in productivity.
- Development of machinery for capacity expansion.

**2. Benefits derived as a result of above R & D:**

- Higher customer satisfaction.
- Reduction in wastage.
- Acquisition of new machinery at much lower cost.

**3. Future Plan of action:**

- To lower energy consumption/MT of bead wire.
- To achieve higher customer satisfaction

**4. Expenditure on R & D:**

a. Capital	153438/-
b. Recurring	103173/-
c. Total	256611/-
d. Total R & D expenditure	0.025

(as a percentage of total turnover)

**TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION**
**1. Efforts in brief made towards Technology Absorption, Adaptation & Innovation:**
**(a) Product Development:**

Thicker bead wires in various sizes up to 2.4mm have been developed and well accepted in the market.

**(b) Process Improvements were made at different stages of production to achieve better consistency in the product quality.**
**2. Benefits derived as a result of above efforts:**

New Indian as well as international Customers were added.

For & on behalf of the Board

Indore

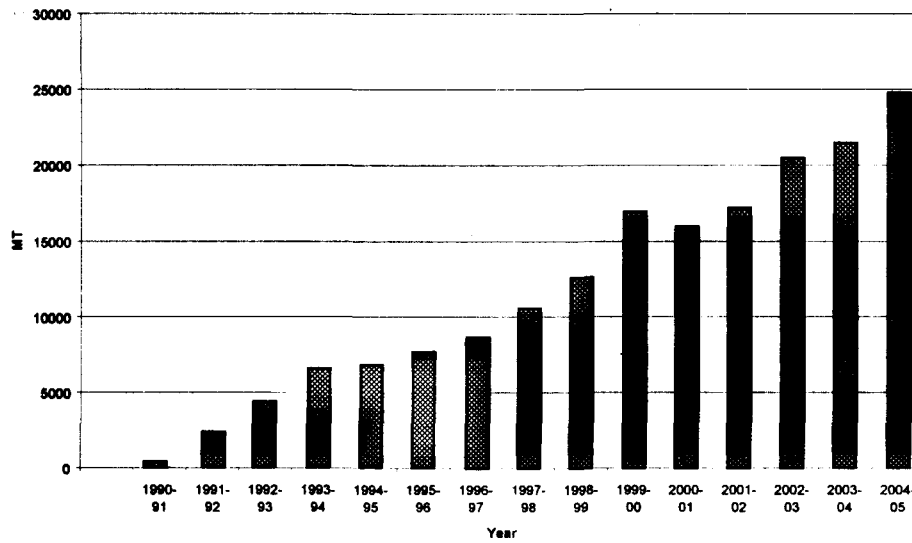
Dated: 21st April 2005

**SUNIL CHORDIA**  
**MANAGING DIRECTOR**

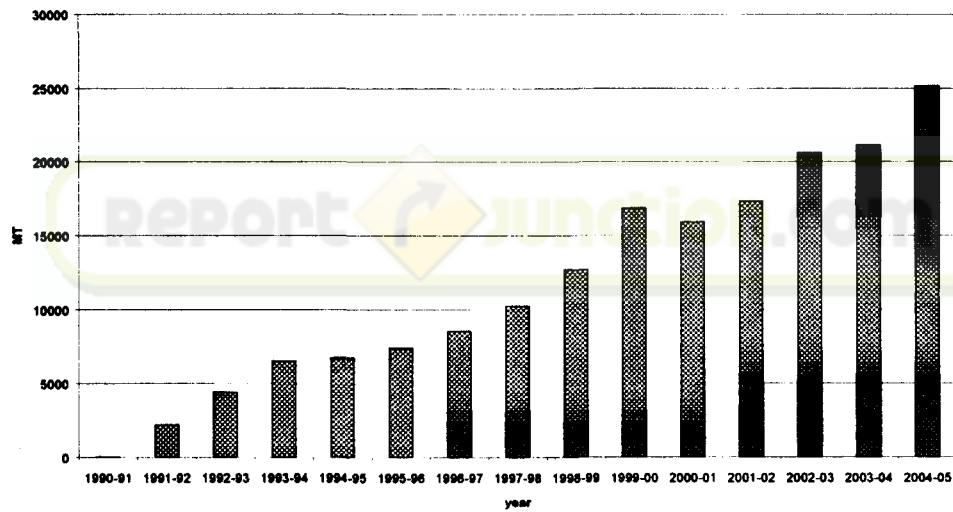
**FINANCIAL HIGHLIGHTS**

Years	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-2001	2001-2002	2002-2003	2003-04	2004-05
Sales & Other Income	1753.35	2461.12	3040.85	3515.08	4470.19	4835.25	5221.26	6074.64	7134.73	10382.49
Profit Before Interest, Depreciation & Tax	163.56	141.79	292.42	347.10	365.13	493.12	601.23	582.39	704.86	1015.82
Net Profit after Tax for the Year	78.31	8.55	63.47	104.95	162.38	261.77	322.38	304.16	353.42	456.57
Share Capital	308.36	308.36	308.36	375.06	375.06	375.06	375.06	375.06	375.06	435.18
Reserves and Surplus	449.65	458.20	521.67	734.16	854.83	1067.09	1329.16	1290.86	1568.37	2488.32
Shareholder's Funds	758.01	766.56	830.03	1109.22	1229.89	1442.15	1704.22	1665.92	1943.43	2923.50
Loan Funds	821.72	902.87	1007.26	861.41	1005.39	1178.57	1101.41	1523.33	1672.51	2954.78
Total Capital Employed	1579.73	1669.43	1837.29	1970.63	2235.28	2620.72	2805.63	3189.25	3615.94	5878.28
Gross Block	968.44	1131.81	1162.58	1283.30	1367.81	1674.49	1754.51	2295.21	2647.91	4277.94
Depreciation	59.15	104.81	157.89	201.80	262.39	334.19	410.03	499.87	614.09	782.40
Net Block	909.29	1027.00	1004.69	1081.50	1105.42	1340.30	1344.48	1795.34	2033.82	3495.54
Net Current Assets	609.62	627.14	819.50	878.22	1107.34	1273.87	1445.15	1586.58	1623.13	2794.81
Dividend	-	-	-	-	37.51	45.01	56.26	56.26	67.51	78.33
Rate of Dividend	-	-	-	-	10%	12%	15%	15%	18%	18%
Book Value of Shares	25	25	27	30	33	38	45	44	52	67
Earnings Per Share	2.54	0.28	2.06	2.80	4.33	6.98	8.60	8.11	9.42	12.17
Return On Share holders Fund at the commencement of the year	12	1	8	13	15	21	22	18	21	23

### PRODUCTION



### SALES



### NET WORTH

