

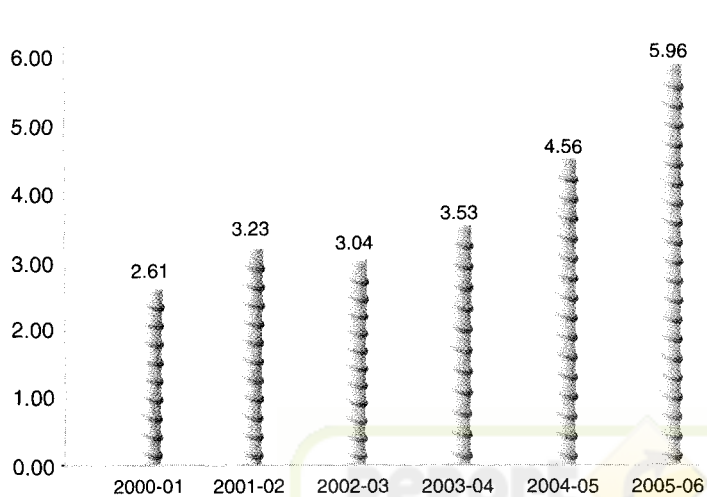
***Eighteenth Annual Report
2005-2006***

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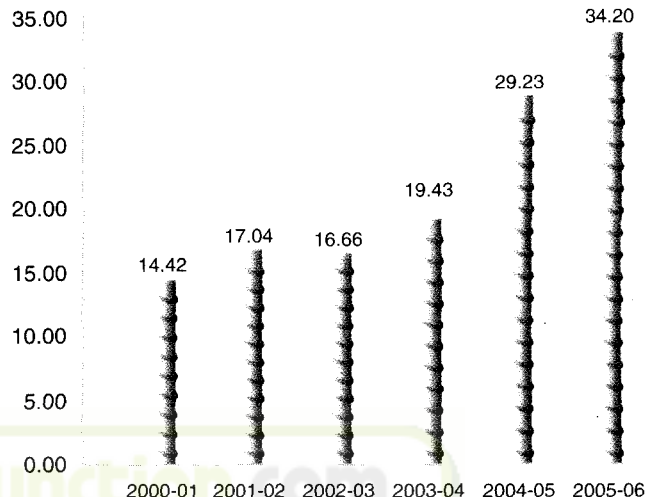


Growth at a Glance

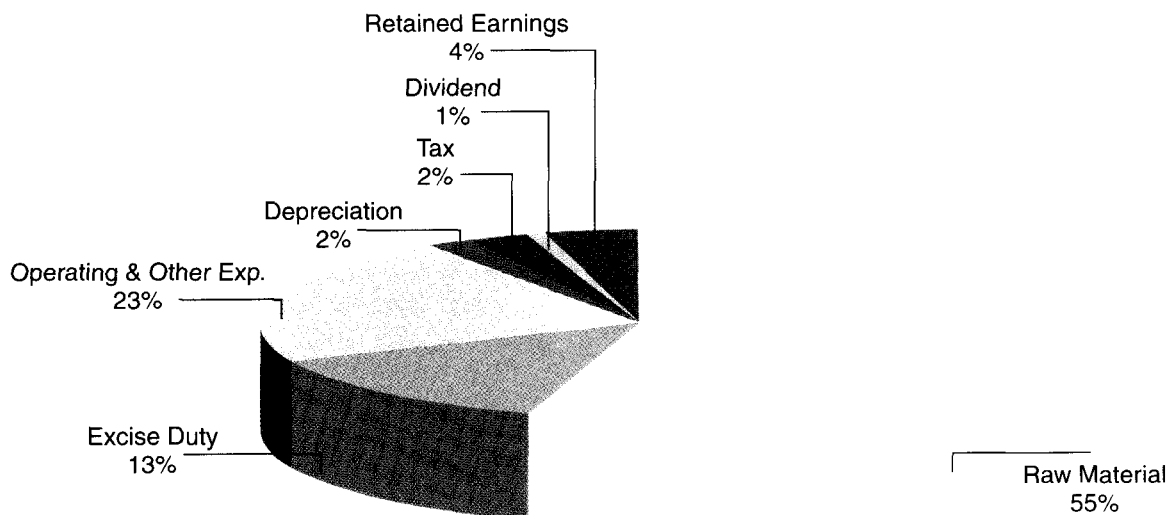
NET PROFIT IN CRORES (AFTER TAX)



NET WORTH IN CRORES



Distribution of Revenue



FINANCIAL HIGHLIGHTS

Rupees in Crores							
S.N.	Year	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
1.	Sales	114.17	103.74	70.88	60.30	52.03	48.29
2	Gross Profit (Before Depreciation And Tax)	10.97	8.90	6.15	5.15	4.89	3.55
3	Depreciation	2.27	1.71	1.19	0.91	0.79	0.72
4	Profit Before Taxation	8.70	7.19	4.96	4.24	4.10	2.83
5	Current Taxation	1.54	0.58	0.89	0.94	0.87	0.22
6	Deferred Taxation	1.16	2.05	0.54	0.26	0.00	0.00
7	Fringe Benefit Tax	0.04	0.00	0.00	0.00	0.00	0.00
8	Profit After Taxation	5.96	4.56	3.53	3.04	3.23	2.61
9	Dividend	0.87	0.78	0.68	0.56	0.56	0.45
10	Gross Fixed Assets	52.47	44.19	29.66	24.06	17.66	16.74
11	Net Fixed Assets	42.43	36.37	23.52	19.06	13.56	13.40
12	Investments	0.20	0.00	0.00	0.00	0.00	0.00
13	Net Current Assets /(Liabilities)	26.51	27.85	16.23	15.87	14.45	12.73
14	Net Assets	69.14	64.22	39.75	34.93	28.01	26.13
15	Share Capital	4.35	4.35	3.75	3.75	3.75	3.75
16	Reserves & Surplus	29.85	24.88	15.68	12.91	13.29	10.67
17	Net Worth	34.20	29.23	19.43	16.66	17.04	14.42
18	Loan Funds	28.22	29.55	16.72	15.23	11.01	11.78
19	Deferred Tax Liability	6.81	5.65	3.60	3.06	0.00	0.00
20	Earning Per Share	13.70	12.17	9.43	8.13	8.49	6.98
21	Dividend Per Share	2.00	1.80	1.80	1.50	1.50	1.20
22	Book Value Per Share	78.62	67.20	51.81	44.43	45.44	38.45

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EIGHTEENTH ANNUAL GENERAL MEETING

Date : 21st July 2006
 Day : Friday
 Time : 10 A.M.
 Place : Registered Office at
 11/2, Meera Path, Dhenu Market,
 Indore-452 003 M.P.

BOARD OF DIRECTORS

Mr. Chandanmal Chordia
Mr. Sunil Chordia
Mr. Mofatraj Munot
Mr. Nihalchand Kothari
Mr. S.S. Mehta
Mr. P.D. Nagar
Mr. Abhishek Dalmia
Mr. Chandrashekhar Bobra
Mr. Dilip Deshmukh

Chairman & Whole-time Director
Managing Director
Director
Director
Director
Director
Director
Director

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.)

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 the Eighteenth Annual General Meeting of the Members of the Company will be held on Friday the 21st July, 2006 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 2006 and the Profit and Loss Account for the year ended on that date and the Directors and the Auditor's Report thereon.
2. To consider the declaration of dividend and payment thereof.
3. To appoint a director in place of Mr. Mofatraj Munot, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. Dilip Deshmukh, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a director in place of Mr. Nihalchand Kothari, who retires by rotation and being eligible offers himself for re-appointment.
6. 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 SPECIAL RESOLUTION:

7 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 a **SPECIAL 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 and other applicable provisions, if any, (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such approvals as may be necessary 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, 2006 for the remaining tenure of his appointment as under:

- a) Basic Salary Rs. One lac per month.
- b) Leave Travel Allowance: Reimbursement once in a year subject to maximum of one month's salary.
- c) Medical Allowance: Reimbursement during the year subject to a ceiling of one month's salary.
- d) Ex-Gratia: Equivalent to one month's salary for every financial year.
- e) Gratuity payment computed at half a month's salary for each completed year of service.
- f) Payment of club fees including life membership fees.
- g) Free telephone facility at residence.
- h) Free use of car with driver."

Note: Sitting fees will not be paid for attending the meetings of the Board of Directors or Committee thereof

III. SPECIAL BUSINESS BY ORDINARY RESOLUTION:

8. 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 in terms of provisions of Sections 198, 269, 302, 309, 310, 311 read with provisions of Schedule XIII to the Companies Act, 1956 and other applicable provisions, if any, (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such approvals as may be necessary approval of members be and is hereby accorded for the revision and increase in remuneration of Mr. Sunil Chordia the Managing Director of the Company w.e.f. 1st April 2006 for the remaining tenure of his appointment as under:

- a) Basic Salary: Rs. One lacs sixty thousand 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.
- f) Gratuity payment computed at half a month's salary for each completed year of service.
- g) Payment of club fees including life membership fees.
- h) Free telephone facility at residence.
- i) Free use of car with driver."

Note: Sitting fees will not be paid for attending the meetings of the Board of Directors or Committee thereof.

9. AVAILMENT OF CONSULTANCY SERVICES FROM MR. DILIP DESHMUKH

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, 309, 310 and other applicable provisions of the Companies Act, 1956, if any, and subject to the approval of Central Government and such approvals as may be necessary approval of members be and is hereby accorded to avail Technical Consultancy Services from Mr. Dilip Deshmukh, Director of the Company in the matter of Wire Drawing, Quality Assurance and other Technical matters of the Company on a consolidated remuneration of Rs. 6 Lakhs per annum as consultancy charges w.e.f. 1st April 2006."

Indore
Dated: 21st April 2006

By Order of the Board
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. '7 to 9' 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 10th day of July 2006 to 14th day of July 2006 (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 25th July, 2006 in respect of shares held in physical form to those members whose name appear in the Company's Register of Members as on 10th day of July 2006 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 08th Day of July 2006.
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 warrants. 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

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, revision of remuneration under item nos. 3, 4, 5,7,8, & 9 :

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.)	72	46	09.09.1988	Rajratan Investments Ltd.
2.	Mr. Sunil Chordia	MBA	43	21	09.09.1988	Rajratan Investments Ltd.
3.	Mr. Mofatraj Munot *	Higher Secondary	62	35	25.05.1994	1. Kalpataru Power Transmission Ltd. 2. Sharyans Resources Ltd. 3. Caprihans India Ltd. 4. Associated Luggage Co. Ltd. 5. Kalpataru Homes Ltd.
4.	Mr. Nihalchand Kothari **	B.Com.	64	40	25.05.1994	NIL
5.	Mr. Dilip Deshmukh ***	M. Tech.	52	27	31.05.1997	NIL

* Mr. Mofatraj Munot holds 700 shares in the Company as on 31st March 2006.

** Mr. Nihalchand Kothari does not hold any shares in the Company as on 31st March 2006.

*** Mr. Dilip Deshmukh holds 100 shares in the Company as on 31st March 2006.

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.

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

Item No. 7 & 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 and Mr. Sunil Chordia, the Managing Director of the Company, should be sufficiently increased and revised.

The members at the Annual General Meeting held on 11th June 2005 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. 70,000/-	Rs. 1,00,000/-
2. Mr. Sunil Chordia (Managing Director)	Rs. 1,00,000/-	Rs. 1,60,000/-

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 2006. 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. 7 & 8 of the notice by way of special & ordinary **RESOLUTIONS** respectively.

Mr. Chandanmal Chordia and Mr. Sunil Chordia 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. 7 & 8.

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 2006.

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

Item No. 9

Mr. Dilip Deshmukh has resigned from the post of Executive director of the Company but having regard to the technical expertise and rich experience possessed by Mr. Dilip Deshmukh and the increasing complexities in the business he has been appointed as non executive director cum consultant of the Company by the board of directors w.e.f 21/01/2006. His appointment is subject to the approval of members of the Company in General Meeting and opinion of the Central Government.

The Company wishes to solicit technical consultancy services from him, as an independent consultant. The Technical consultancy services to be offered by Mr. Dilip Deshmukh shall be in regards to wire drawing, quality assurance and other allied matters etc. The consultancy charges payable to him have been fixed on merit basis having regards to market trend in general. Further, the Company will be free to engage any other consultant at its discretion.

Directors recommend passing of the resolution set out in Item no.9 as **ORDINARY RESOLUTION**.

Mr. D.G. Deshmukh is deemed to be interested in the resolution.

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

Indore
Dated: 21st April 2006

By Order of the Board
SUNIL CHORDIA
MANAGING DIRECTOR

DIRECTOR'S REPORT

The Directors hereby present their Eighteenth Annual Report on the state of affairs and the audited accounts for the financial year ended on 31st March 2006.

FINANCIAL RESULTS:

	(Rs in lacs)	
	2005-2006	2004 -2005
Profit before Depreciation	1097.95	890.47
Less: Depreciation	227.27	170.57
Profit before Taxation	870.68	719.90
Less: Provision for Taxation		
-Current Tax	154.00	57.70
-Deferred Tax	116.20	205.63
-Fringe benefit tax	4.36	NIL
Profit for the year	596.12	456.57
Less: Prior period adjustment / tax pertaining to previous year	0.15	1.15
Add: Balance brought forward from previous year	33.47	31.35
Profit available for appropriation	629.44	486.77
APPROPRIATION		
Proposed Dividend	87.03	78.33
Dividend Tax	12.20	10.24
Transfer to General Reserve	500.00	364.73
Balance carried to Balance Sheet	30.20	33.47

PERFORMANCE HIGHLIGHTS/OPERATIONS:

In line with the goal of becoming the leader in the country and global supplier of bead wire, the installed capacity of tyre bead wire unit increased from 25000 MT to 30000 MT. The overall sales turnover of the Company has increased by 10.04% i.e. from Rs. 103.74 Crores to Rs. 114.16 Crores. Profit before depreciation and tax also increased from Rs. 890.47 Lacs to Rs. 1097.95 Lacs thereby recording an increase of 23.30% from last year. Net profit after current tax and deferred tax also rose to Rs. 596.12 Lacs as against Rs. 456.57 Lacs in last year. This was possible because of improved sales and Company's efforts to save cost of consumables, power and selling and general administration overheads.

PROSPECTS:

The Indian economy continued to showcase buoyancy in its growth parameters, in the presence of a strong backing from a robust industrial growth rate achieved last year. This was reflected by a positively accelerated GDP from 7.5 per cent in 2004-05 to 8.1 percent in 2005-06.

The business prospects of the Company move according to the growth and performance of the Automobile and Tyre industries. The Indian automobile industry exhibited a growth of 20% during FY'05 and has continued to grow at around 16% during last financial year while the Indian tyre industry is growing at 10-12% every year. Additionally, the export of automobiles and tyres, which has recorded a remarkable increase during the last few years, provides your Company a further opportunity for growth. The Indian Road network which is already the second largest in the world with over 3.3 million kilometers, is being further enhanced, which will multiply the tyre consumption thereby increasing the demand for tyre bead wire proportionately.

While there are many positives as we enter FY07, given the current volatile situation of steel prices, there is some uncertainty about raw

material availability and prices and its impact on margins. However your Company has made adequate arrangements for its raw material requirements and has the financial capability to import additional requirement should the need arise.

P.C. UNIT:

Your directors are discussing the long-term prospects of P.C. Wire business and it is being deliberated that P.C. wire business does not fall in line with philosophy and culture of the Company any more. It also takes away valuable management time, which may otherwise be used for the speedy growth of bead wire business. A final view and decision will be taken in the next Financial year but slowing down of business will have an adverse effect on the top line in the coming year though this will have overall positive effect on the bottom line due to more focused efforts.

WIND MILL PROJECT:

During the year, the Company has purchased four additional wind mills with a total capacity of 1 M.W. from Steel Tubes of India Limited at a cost of Rs. One crore to further reduce our cost of energy. Investment made in FY05 in one wind mill of 1.25 M.W. has contributed Rs. 81.57 lacs as total gross earning through power generation in FY 06.

DIVIDEND:

The Directors are pleased to recommend a dividend @ 20 % (Rs. 2.00 per Equity Share of Rs. 10 each) for the financial year 2005-2006, 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 10th July 2006.

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. Last year part of proceeds amounting to Rs. 2,87,50,000 have been utilized to repay part of term loan and the balance was used in the expansion project completed during the year.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association Mr. Mofatraj Munot, Mr. Dilip Deshmukh, & Mr. Nihalchand Kothari Directors of the Company retires by rotation at the Eighteenth Annual General Meeting and they are eligible for re-appointment. The Board recommends their re-appointment.

AUDITORS:

M/s. Trilok Jain & Co. Chartered Accountants, Indore, the Statutory Auditors of the Company, are retiring at the conclusion of Eighteenth 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 except relating to change in the method of valuation of inventories. Considering market fluctuation in raw material prices, the Board decided to change the method of valuation from First In First Out method to Average cost method being more acceptable & rational

so as to absorb such fluctuations evenly.

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 2006.

LISTING:

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

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.

INDUSTRIAL RELATIONS:

Your Directors are pleased to report that the relations with the employees and workers continued to be cordial during the year under review.

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, during the year under review. A report on Corporate Governance is annexed hereto as a 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. Therefore none of the employees 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, financial institutions, bankers, and the state and central governments for their valuable contribution and continued support.

Indore
Dated: 21st April 2006

By Order of the Board
SUNIL CHORDIA
MANAGING DIRECTOR

ANNEXURE TO THE REPORT OF THE BOARD OF DIRECTORS

Particulars required by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Report of the Board of Directors for the Financial Year 2005-06.

A PARTICULARS OF CONSERVATION OF ENERGY AND FOREIGN EXCHANGE EARNING AND OUTGO

The Company has incurred the following expenses in foreign currency:

On foreign travels Rs. 306169/- (Rs.335736/-), for purchase of journals & periodicals Rs.7283/- (Rs.10833/-), on purchase of office equipment NIL (Rs. 15725/-), on purchase of packing material Rs 26743/- (Rs.11645), on expenses of sales promotion Nil (Rs 210298) on purchase of plant & machinery Rs 5772823/- (Rs.6646867/-), on import of raw material in foreign exchange during the year 17359025 (Rs.14937703/-) testing material 17246/-(Nil).

The F.O.B value of exports during the year was Rs.59199559/-(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:

Power and Fuel Consumed

	<u>2005-06</u>	<u>2004-05</u>
1. ELECTRICITY:		
(a) Unit Consumed : (KWH)		
Purchased from MPEB	9606865	7711974
Generation through Wind Mill (Transfer to Grid)	1905874	690183
Total Units	<u>11512739</u>	<u>8402157</u>
Total Amount	46761666	39663030
Rate/Unit	4.06	4.72
(b) Own Generation		
(i) Through Diesel Generator		
Units (KWH)	2550776	2999957
Units/Litre of Diesel	3.31	3.38
Cost/Unit	7.80	6.46
2. L.P.G/ PROPANE		
Quantity (Kgs)	1125925	984995
Total Amount	31292786	21791918
Average Rate (Per Kg)	27.79	22.12
3. DIESEL/SKO/LDO:		
Quantity (Ltrs)	489933	475317
Total Amount	13276335	9892317
Average Rate	27.10	20.81
Consumption per Unit of production		
Electricity (Units)	518	460
L.P.G (Kgs)	57	54

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 2005-06, 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:

- Capital 98997/-
- Recurring 142139/-
- Total 241136/-
- Total R & D Expenditure .021

(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 2.4 mm have been developed and well accepted in the market.

- (b) Process Improvement 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.

Indore
Dated: 21st April 2006

For and on behalf of the board
SUNIL CHORDIA
MANAGING DIRECTOR