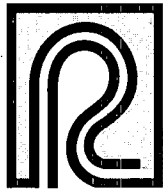


*Twentieth Annual Report*  
*2007-2008*

Report  junction.com



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



Site Photographs of  
Rajratan Thai Wire Co., Ltd.  
Thailand



FINANCIAL HIGHLIGHTS							
Rs. in Crores							
S.N.	Year	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
1	Sales	120.88	109.25	113.07	103.74	70.88	60.30
2	Gross Profit (Before Depreciation And Tax)	4.76	7.83	10.97	8.90	6.15	5.15
3	Depreciation	2.92	2.75	2.27	1.71	1.19	0.91
4	Profit Before Taxation	1.83	5.07	8.70	7.19	4.96	4.24
5	Current Taxation	0.21	0.65	1.54	0.58	0.89	0.94
6	Deferred Taxation	0.41	1.04	1.16	2.05	0.54	0.26
7	Fringe Benefit Tax	0.02	0.03	0.04	0.00	0.00	0.00
8	Profit After Taxation	1.24	3.29	5.96	4.56	3.53	3.04
9	Dividend	0.43	0.43	0.87	0.78	0.68	0.56
10	Gross Fixed Assets	60.97	59.32	52.47	44.19	29.66	24.06
11	Net Fixed Assets	46.38	47.23	42.43	36.37	23.52	19.06
12	Investments	14.56	5.65	0.20	0.00	0.00	0.00
13	Net Current Assets /(Liabilities)	35.38	35.78	26.51	27.85	16.23	15.87
14	Net Assets	96.33	88.66	69.14	64.22	39.75	34.93
15	Share Capital	4.35	4.35	4.35	4.35	3.75	3.75
16	Reserves & Surplus	33.36	32.63	29.85	24.88	15.68	12.91
17	Net Worth	37.71	36.98	34.20	29.23	19.43	16.66
18	Loan Funds	50.37	43.88	28.22	29.55	16.72	15.23
19	Deferred Tax Liability	8.26	7.85	6.81	5.65	3.60	3.06
20	Earning Per Share	2.85	7.57	13.70	12.17	9.43	8.13
21	Dividend Per Share	1.00	1.00	2.00	1.80	1.80	1.50
22	Book Value Per Share	86.65	85.00	78.62	67.20	51.81	44.43

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**BOARD OF DIRECTORS**

Mr. Chandanmal Chordia*	Chairman
Mr. Mofatraj Munot	Director
Mr. Nihalchand Kothari	Director
Mr. S.S. Mehta	Director
Mr. P.D. Nagar	Director
Mr. Abhishek Dalmia	Director
Mr. Chandrashekhar Bobra	Director
Mr. Sunil Chordia	Managing Director
Mr. Deepesh Trivedi**	C.O.O & Executive Director
	*Resigned as a Whole Time Director on 31st July, 2007
	**Appointed as Executive Director from 21st Jan. 2008

**COMPANY SECRETARY**

Ms. Aakanksha Khandelwal

**BANKERS**

State Bank of India  
Commercial Branch, Indore

IDBI Bank Ltd.  
Alankar Chambers, Indore

ICICI Bank Ltd  
9, Raffles Place, Singapore

Bank of Ayudhya Public Company Limited  
Siyaek Asoke Branch, Bangkok Thailand

**AUDITORS**

M/s. Fadnis & Gupte  
Chartered Accountants, Indore

**REGISTER & TRANSFER AGENT**

M/s. Intime Spectrum Registry Limited  
C-13 Pannalal Silk Mills Compound, L B S Marg  
Mumbai – 400078 Ph: 022-25963838

**REGISTERED OFFICE**

RAJRATAN HOUSE  
11/2, Meera Path, Dhenu Market,  
Indore – 452 003 (M.P.) INDIA  
Phone: 0731 – 2533716, 2546401, Fax: 0731-2542534  
Website: www.rgwl.co.in

**PLANTS**

Plot No. 200 –A & B, Sector I,  
Industrial Area, Pithampur  
District Dhar (M.P.) INDIA  
Phone : 07292 –253375 , 252904  
Fax : 07292-253357

155/11 Moo 4, Tambol: Chet Samein  
Amphur: Potharam, Ratchaburi 70120  
Thailand  
Phone : +6632375841  
Fax : +6632375840

## NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the Members of the Company will be held on Saturday the 20th day of September, 2008 at 10 a.m. at the registered office of the Company at 1 1/2, Meera Path, Dhenu Market, Indore, Madhya Pradesh – 452 003 to transact the following:

### ORDINARY BUSINESS:

1. To consider, approve and adopt the Balance Sheet as at 31st March 2008 and the Profit and Loss Account for the year ended on that date and the Reports of Directors and the Auditors thereon.
2. To consider declaration of dividend on equity shares.
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 Fadnis & Gupte, 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.

### SPECIAL BUSINESS:

#### 6. Appointment of Mr. Deepesh Trivedi as an Executive Director

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

**“RESOLVED THAT** pursuant to the provisions of section 198, 269, 309 and other applicable provisions, if any of the Companies Act 1956 (“the Act”), as amended or re-enacted from time to time, read with Schedule XIII to the Act, the company hereby approves the appointment and terms of remuneration of Mr. Deepesh Trivedi as an Executive Director of the Company for a period of 3 years with effect from January 21, 2008 on the terms and conditions set out in Explanatory Statement annexed to the Notice convening this Meeting, including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year, with liberty to the Board of Directors (“the Board”) to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. Deepesh Trivedi.”

#### 7. Revision in 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, following resolution as a **SPECIAL 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 revision and increase in the remuneration of Mr. Sunil Chordia, Managing Director of the Company w.e.f. 1st April, 2008 for the remaining tenure of his appointment as under:

- a) Basic Salary: Rs. Two Lacs per month
- b) House Rent Allowance: Rs. Fifty Thousand per month
- c) Leave Travel Allowance: Reimbursement once in a year subject to maximum of Rs. One Lac Fifty Thousand.
- d) Medical Allowance (for self & family): Reimbursement once in a year subject to maximum of Rs. One Lac Fifty Thousand
- e) Ex-Gratia: Equivalent to one month's basic 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 mobile phone and telephone facility at residence
- i) Free use of car

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

#### 8. Revision of remuneration of Mr. Deepesh Trivedi C.O.O & Executive 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, 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. Deepesh Trivedi Executive Director of the Company w.e.f. 1st April 2008 for the remaining tenure of his appointment as under.

- a) Basic Salary: Rs. Eighty Thousand per month.
- b) House Rent Allowance: Rs. Thirty Two Thousand per month.
- c) Conveyance Allowance: Rs. Twelve Thousand per month
- d) Restructuring Allowance: Rs. Twenty Eight Thousand Five Hundred per month.
- e) Leave Travel Allowance: Reimbursement once in a year not exceeding Rs Fifty thousand per annum.
- f) Medical Reimbursement not exceeding Rs. Twenty Two Thousand per annum
- g) Performance Award: As per rules of the Company subject to 30% of the basic salary
- h) Free use of mobile phone and car for official purpose only.
- i) Company's contribution to Provident Fund to the extent not taxable in Income Tax Act.

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

Indore

Dated: 21st May 2008

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 statement in respect of item no. 6, 7 & 8 is annexed hereto.
3. The Register of Members and the share transfer book of the Company will remain closed from the 30th August 2008 to 6th September 2008 (both days inclusive) for payment of dividend on Equity shares. In respect of shares held in dematerialized form, the dividend will be paid on the basis of beneficial ownership as per the details furnished by the respective depositories for this purpose.
4. The dividend, if declared at the meeting will be paid on or after 20th September 2008.
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 2001-02 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 desirous to seek any information on the annual accounts at the meeting are requested to send their queries in writing to the Company Secretary at the registered office at least seven days before the date of the meeting in order to keep the desired information available.
12. Members are requested to bring their copy of the Annual Report at the Meeting.

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

##### Item No. 6

Mr. Deepesh Trivedi aged 53 years is a Mechanical Engineer and joined the Company as Chief Operating Officer in March 2006. He is widely experienced in Auto, Engineering and Process industries. Mr. Deepesh Trivedi has made significant contribution in cost reduction, quality improvement and H. R. practices in the Company. The Board of Directors at its meeting held on 21st January 2008 appointed

Mr. Deepesh Trivedi as Executive Director of the Company.

In terms of provisions of the Companies Act, 1956, approval of members is being sought for appointment of Mr. Deepesh Trivedi as Executive Director by way of **SPECIAL RESOLUTION**.

The Board recommends approval of appointment of Mr. Deepesh Trivedi, as Executive Director for a period of three years w.e.f. January 21, 2008.

Mr. Deepesh Trivedi, being the appointee, is interested in the proposed resolution.

The explanatory statement may be treated as an abstract under section 302 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. Sunil Chordia, Managing Director of the Company, and Mr. Deepesh Trivedi C.O.O. & Executive Director of the company, should be sufficiently increased and revised.

The existing remuneration of Mr. Sunil Chordia was sanctioned by the members, at the Annual General Meeting held on 21st July, 2006 which is proposed to be increased as under:

Existing remuneration (other than perks and allowances)	Proposed revised remuneration (other than perks and allowances)
1,60,000/-	2,00,000/-

The existing and proposed revised remuneration of Mr. Deepesh Trivedi is as under:

Existing remuneration (other than perks and allowances)	Proposed revised remuneration (other than perks and allowances)
62,000/-	80,000/-

The proposed revised remuneration besides allowances as set out in the resolution has been approved by the Remuneration Committee and Board of Directors at their meeting held on 21st May 2008. In terms of the provisions of the Companies Act, 1956, approval of the members is being sought to increase and revise the remuneration by way of **SPECIAL RESOLUTIONS**.

Mr. Sunil Chordia & Mr. Deepesh Trivedi are interested in the resolution to the extent of their remuneration and may be deemed to be concerned or interested for item no. 7 & 8.

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

Indore  
Dated: 21st May 2008

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

#### ANNEXURE TO THE NOTICE

#### Additional information pursuant to Clause 49 of the Listing Agreement with the Stock Exchange in respect of Directors appointed/re-appointed, seeking re-election, revision of remuneration under item nos. 3, 4, 6, 7, 8.

S.No.	Name & Designation of appointee	Qualifications	Age in years	Experience in Yrs.	Date of Appointment	Other Directorship(s), if any (exclude Private & Foreign Companies)
1.	Mr. P.D. Nagar	B.Com. LLB., FCA	63	40	10.07.2003	Ruchi Soya Industries Ltd. Anik Industries Ltd. National Steel and Agro Industries Ltd.
2.	Mr. S.S. Mehta	BE, MBA	54	29	10.07.2003	Kriti Industries Ltd.
3.	Mr. Sunil Chordia	BSc., DCMA MBA	45	23	9.09.1988	Rajratan Investment Limited
4.	Mr. Deepesh Trivedi	BE (Mech.)	53	28	21.01.2008	NIL

\* Mr. P.D. Nagar holds 1500 shares in the Company as on 31st March 2008.

\*\* Mr. S.S. Mehta holds NIL Shares in the Company as on 31st March 2008.

Indore  
Dated: 21<sup>st</sup> May 2008

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



## DIRECTORS' REPORT

To the Members,

The Directors hereby present their Twentieth Annual Report on the business and operations of the Company and the consolidated and standalone financial accounts for the financial year ended on 31st March, 2008.

### FINANCIAL RESULTS:

	(Rs. In Lacs)	
	2007-08	2006-2007
Profit before Depreciation	475.80	783.08
Less: Depreciation	292.44	275.32
Profit before Taxation	183.36	507.76
Less: Provision for Taxation		
-Current Tax including Fringe Benefit Tax	22.81	68.20
-Deferred Tax	41.16	104.05
Prior Period Expenditure/Income	(4.57)	6.13
Profit for the year	123.96	329.38
Add: Surplus of Previous Year	58.66	30.19
Amount available for appropriation	182.62	359.57
APPROPRIATION		
Proposed Dividend	43.52	43.52
Dividend Tax	7.39	7.39
Transfer to General Reserve	50.00	250.00
Balance carried to Balance Sheet	81.71	58.66

### PERFORMANCE HIGHLIGHTS:

As discussed in the last report the company has shutdown the P.C. wire business with effect from 31st July, 2008 and management focus was more on growth of tyre bead wire business. Therefore the Company could record an overall turnover growth of 11% and 20% in tyre bead wire business on standalone basis.

During the year under review, the Company recorded net turnover of Rs. 106.06 Crores against Rs. 95.27 Crores of last year. However, steep increase of 27% in raw material consumption due to higher prices and 65% increase in the interest cost has significantly affected the bottom line and we could record the profit before depreciation of Rs. 476 Lacs against Rs. 783 Lacs of last year and profit after tax (including deferred tax) of Rs. 124 Lacs against Rs. 329 Lacs of last year. This was possible because of major reduction of 21% in manufacturing cost.

### PROSPECTS AND OUTLOOK:

The raw material environment continues to challenge our industry in terms of cost pressure. Steel price have increased by approx. 25% during the year which could not be timely passed on to the customers. The Company has adopted overall cost reduction measures mainly in conversion cost and consequently, to some extent have been able to offset impact of increased steel prices. At the same time, the Company has got success in passing on the price increase to the customers in the current year. The Company is confident to achieve better profitability in the financial year 2008-09.

### SUBSIDIARY COMPANY:

Your directors are pleased to inform that the trial production of phase I started in September 2007 and it has also commenced successfully implementation of phase II and hopeful of starting commercial production in the month of June 2008. The audited balance sheet and profit and loss account of Rajratan Thai Wire Company Limited together with auditors report and directors' report are attached along with the report.

### DIVIDEND:

Considering lower profitability of the year under review and further ongoing investments plans in Thai Project, your Directors recommended dividend @ 10% (Rs. 1.00 per equity Share of Rs. 10 each) for the financial year ended on 31st March 2008, subject to the approval of shareholders at the forthcoming Annual General Meeting.

### DIRECTORS:

Mr. Deepesh Trivedi was appointed as an Executive Director on the Board of the Company with effect from 21st January, 2008 he is COO of the Company since March, 2006. The Board believes that the appointment of Mr. Deepesh Trivedi on the board of the Company will bring in a rich and varied experience that will enable it to manage the business with more efficiency and effectiveness.

Mr. Chandanmal Chordia Chairman and whole time director resigned from whole time directorship of the Company with effect from 31st July, 2007 on attaining the age of 74 years but continue to be non executive chairman of the Company. The Board records its appreciation of the contribution made by Mr. Chandanmal Chordia during his tenure of whole time directorship

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Mr. P.D Nagar and Mr. S.S Mehta retire by rotation and are eligible for reappointment.

### AUDITORS:

M/s. Fadnis & Gupte, Chartered Accountants, Indore, the Statutory Auditors, are retiring at the conclusion of twentieth 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 2008.

### LISTING:

The shares of the Company are listed on The Bombay Stock Exchange Limited, and the Company is regular in payment of the listing fees. The Company had applied for delisting of its securities from M.P. Stock Exchange pursuant to the SEBI (Delisting of Securities) Guidelines, 2003 and approval of the same is awaited. There was no suspension of trading during the year under review.

### INDUSTRIAL RELATIONS:

During the year under review, the industrial relations were not very cordial due to partial strike for 21 days which adversely affected the production, the same was amicably resolved with the workers union and since then the relations with workers are cordial.

### Particulars of Employees under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

Name	Designation	Age	Last Employed	Date of Joining	Qualification	Experience	Remuneration
Mr. Sunil Chordia	M.D.	45	--	09.09.1988	B.Sc. DCMA, M.B.A	23	2100000/-

### CORPORATE GOVERNANCE:

Your Company is committed to maintain the highest standards of Corporate Governance. Your Directors adhere to the stipulations set out in the Listing Agreement with Stock Exchange.

A report on Corporate Governance as stipulated under clause 49 of the Listing Agreement with the stock exchange form part of the Annual Report.

Certificate from the Auditors of the Company, M/s Fadnis & Gupte confirming compliance of conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this Report.

### DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 217(2AA) of the Companies

Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departure from the same.
- ii. 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 as at 31st March, 2008.
- iii. 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
- iv. the directors have prepared the annual accounts on a 'going concern' basis.

**PERSONNEL:**

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

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 wholehearted effort, the satisfactory performance would not have been possible.

**ACKNOWLEDGEMENT:**

Your Directors place on record their gratitude to the Company's esteemed shareholders, customers, suppliers, associates, financial institutions, bankers, and the state and central government for their assistance, co-operation and encouragement they extended to the Company. The Directors also place on record their sincere appreciation to the employees for their continuing support and unstinting efforts in ensuring the heights of success. We look forward to their continued support in the future.

Indore

Dated: 21st May 2008

For and on behalf 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 2007-08.

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

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>2007-08</b>	<b>2006-07</b>
<b>1. ELECTRICITY:</b>		
(a) Unit Consumed: (KWH)		
Purchased from MPEB	11490865	9862311
Generation through Wind Mill (Transfer to Grid)	2583755	3154769
Total Units	14074620	13017080
Total Amount	61100026	56335001
Rate/Unit	4.34	4.33
(b) Own Generation		
(i) Through Diesel Generator		
Units (KWH)	0	650520
Units/Litre of Diesel	0	2.72
Cost/Unit	0	10.45
<b>2. L.P.G/PROPANE/L.N.G.</b>		
Quantity (Kgs)	1549990	1267390
Total Amount	21152354	35670045
Average Rate (Per Kg)	13.65	28.14
<b>3. DIESEL/SKO/LDO:</b>		
Quantity (Ltrs)	16580	529464
Total Amount	546492	15434482
Average Rate	32.96	29.15
Consumption per Unit of production		
Electricity (Units)	545	536
L.P.G (Kgs)	60	61

- The Company has incurred the following expenses in foreign currency:
- On foreign travels Rs.3,37,507/- (Rs. 3,48,704/-), for purchase of journals & periodicals NIL (Rs. 8,844/-), on expenses of Sales Promotion NIL (2,05,474) on purchase of plant & machinery NIL (Rs. 62,78,666/-), on import of raw material in foreign exchange during the year Rs. 9,01,29,092/- (Rs. 5,47,89,209/-) Testing Material Rs. 44,760/- (Rs. 79,576/-), advertisement expenses Rs. 17,000 (NIL).

- The F.O.B value of exports during the year was Rs.14,06,66,053/- (Rs. 7, 70, 28,213/-)
- Remittance in Foreign Currency: Investment in Rajratan Thai Wire Co. Ltd. Rs. 5,21,71,915/- (Rs. 4,50,93,827/-), share application money Rajratan Thai Wire Co. Ltd. Rs. 3.69,43,460/- (Rs. 94,33,048/-).



**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 2007-08; following were the major thrust areas of R &D:

- Studies were made and an improved alkali settling and filtration system was installed.
- Utilising experimental techniques, consumption of process chemicals like xylene was reduced substantially.
- Installation of PROFILE PROJECTOR to ensure correct DIE GEOMETRY resulting in higher productivity.
- In-house improvement in productivity by other means as well; such as MAINTENANCE SOFTWARE DEVELOPMENT.
- Rationalization of electrical systems to eliminate energy wastage.

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

- Reduction in alkali and xylene consumption and a better product quality, while reducing periodic shut down were realized.
- Reduction in wire breakages and ability to draw wire at higher speeds.
- Higher customer satisfaction by timely deliveries of quality products.
- Energy conservation.

**3. Future Plan of action:**

- a. To lower energy cost /MT of bead wire by way of many efforts such as
  - i. high-speed drawing using Paramount dies
  - ii. rationalization of pumping systems
  - iii. improving insulation in thermal systems.
- b. To achieve further customer satisfaction by way of product consistency and improved processability features.

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

- Capital	2,07,030/-
- Recurring	1,28,648/-
- Total	3,35,678/-
- Total R & D Expenditure 0.028 (as a percentage of total turnover)	

**TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION**

**1. Efforts in brief made towards Technology Absorption, Adaptation & Innovation:**

**(a) Product Development:**

Developed and established manufacturing of spring wires with high end applications for North American market.

**(b) Process Development**

1. Successfully made operational usage of piped LNG as against Propane. This has helped in reducing cost substantially.
2. Achieving enhanced production rates by optimizing the line speeds in Heat treatment section, i.e. patenting section.
3. Successfully established the environment friendly and globally acknowledged "STRAND PICKLING" process.

**2. Benefits derived as a result of above efforts:**

- (a) Achieving the right properties of the product while saving the cost of Heat- Treatment.
- (b) Improved quality, reduced consumables cost and preservation of environment.

Place: Indore  
Dated: 21<sup>st</sup> May 2008

For and on behalf of the Board  
**SUNIL CHORDIA**  
MANAGING DIRECTOR

**REPORT ON CORPORATE GOVERNANCE**

(Pursuant to Clause 49 of the Listing Agreement)

**1. COMPANY PHILOSOPHY ON CODE OF GOVERNANCE**

The foundation on which the structure of Corporate Governance rests is in the "Theory of Trusteeship". The shareholder, while placing their capital in the hands of Board of Directors, puts them in fiduciary capacity. Trustees, in turn, are required to run the business with Transparency, Full Disclosure, Fairness to all and Independent Monitoring and Supervision, which enable the Company to perform efficiently and maximize long-term value for the Shareholders. This is the essence of good Corporate Governance. It also puts in place and enhances the trust of Creditors, Employees, Suppliers, Customers and Public at large. At Rajratan Global Wire Ltd, it is also considered as a business necessity. It has ensured-

- A strong team of non-executive and independent Directors.
- Capable and result oriented management team.
- Due importance to compliance of laws, rules and regulations.
- Clear statement of Board processes and Board executive linkages.
- Disclosure, accountability, transparency, adequate systems and procedures to monitor the state of affairs of the Company to enable the Board to effectively discharge its responsibilities to the stakeholders of the Company.
- Identification and management of key risks to delivery of performance of the Company.

**2. BOARD OF DIRECTORS**

The Company functions under the supervision and control of the Board of Directors ('the Board'). The Board formulates the overall strategy and periodically reviews the implementation of the same.

The Board of directors of the Company comprises of a fair number of independent, professionally competent and acclaimed non-executive Directors.

**Constitution of the Board as on 31st March, 2008 and related information**

Name of Director	Category	No. of Board Meetings attended	Attendance at last AGM	No. of outside Directorships (excludes Private & Foreign Companies)
Mr. Chandanmal Chordia	Chairman	4	YES	1
Mr. Sunil Chordia	Managing Director	4	NO	1
Mr. P.D. Nagar	Non Executive & Independent	5	YES	3
Mr. S. S. Mehta	Non Executive & Independent	4	YES	1
Mr. Nihalchand Kothari	Non Executive & independent	0	NO	NIL
Mr. Mofatraj Munot	Non Executive & Independent	0	NO	5
Mr. Abhishek Dalmia	Non Executive	4	NO	5
Mr. Chandrasekhar Bobra	Non Executive & Independent	5	YES	NIL
Mr. Deepesh Trivedi*	Executive Director	1	N.A	Nil

\*Appointed w.e.f. 21st January, 2008

None of the Directors on the Board holds the office of Director in more than 15 companies or memberships of committees of the Board in more than 10 companies or Chairmanship of more than 5 committees across all companies.

**Board Meetings held during the year**

Five Board Meetings were held during the year 2007-08 on 24th April 2007, 21st July 2007, 21st September 2007, 22nd October 2007, and 21st January 2008.

**Details of Directors seeking re-election**

Mr. P.D Nagar and Mr. S.S Mehta retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-election. The additional information relating to these Directors as required under Clause 49 of the Listing Agreement with the Stock Exchanges is furnished as part of the Notice convening the Annual General Meeting.

**3. AUDIT COMMITTEE****(a) Terms of reference**

- To investigate any activity within its term of reference
- To seek information from any employees
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary
- To review with the Management the annual/half-yearly/quarterly financial statements
- To review the Company's financial and risk management policies and the adequacy of internal control systems.