

*Twenty First Annual Report*  
*2008-2009*

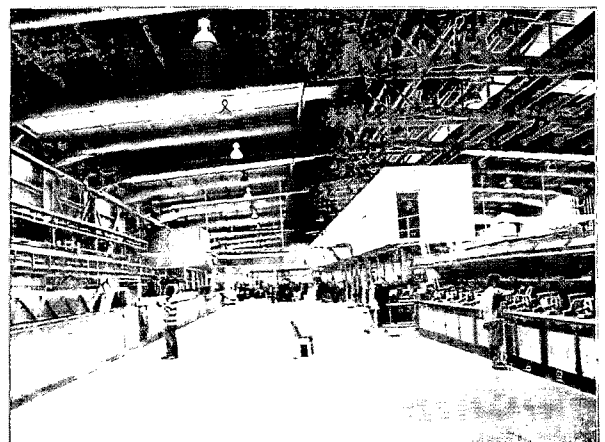
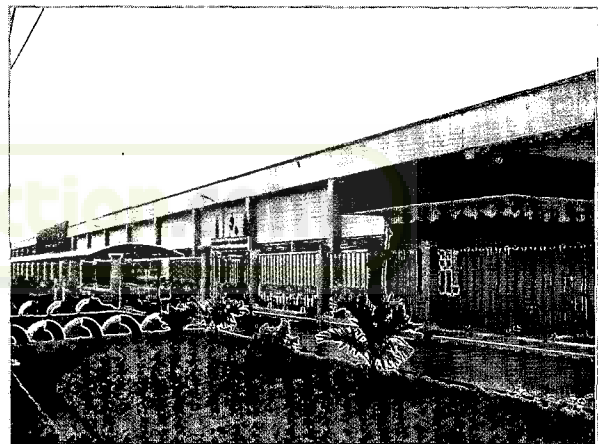
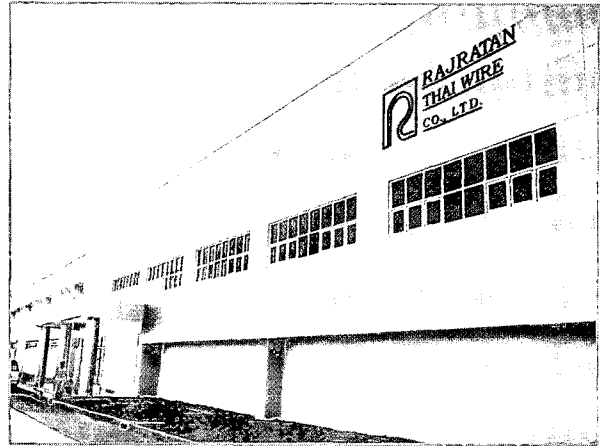
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**RAJRATAN**  
**GLOBAL WIRE**  
**LIMITED**



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



FINANCIAL HIGHLIGHTS							
Rs. in Crores							
S.N.	Year	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
1	Sales	161.81	120.88	109.25	113.07	103.74	70.88
2	Gross Profit (Before Depreciation And Tax)	11.85	4.76	7.83	10.97	8.90	6.15
3	Depreciation	3.05	2.92	2.75	2.27	1.71	1.19
4	Profit Before Taxation	8.80	1.83	5.07	8.70	7.19	4.96
5	Current Taxation	2.97	0.21	0.65	1.54	0.58	0.89
6	Deferred Taxation	0.09	0.41	1.04	1.16	2.05	0.54
7	Fringe Benefit Tax	0.02	0.02	0.03	0.04	0.00	0.00
8	Profit After Taxation	5.73	1.24	3.29	5.96	4.56	3.53
9	Dividend	0.43	0.43	0.43	0.87	0.78	0.68
10	Gross Fixed Assets	61.48	60.97	59.32	52.47	44.19	29.66
11	Net Fixed Assets	44.09	46.38	47.23	42.43	36.37	23.52
12	Investments	16.93	14.56	5.65	0.20	0.00	0.00
13	Net Current Assets /(Liabilities)	39.38	35.38	35.78	26.51	27.85	16.23
14	Net Assets	100.40	96.33	88.66	69.14	64.22	39.75
15	Share Capital	4.35	4.35	4.35	4.35	4.35	3.75
16	Reserves & Surplus	38.58	33.36	32.63	29.85	24.88	15.68
17	Net Worth	42.93	37.71	36.98	34.20	29.23	19.43
18	Loan Funds	49.10	50.37	43.88	28.22	29.55	16.72
19	Deferred Tax Liability	8.36	8.26	7.85	6.81	5.65	3.60
20	Earning Per Share	13.16	2.85	7.57	13.70	12.17	9.43
21	Dividend Per Share	1.00	1.00	1.00	2.00	1.80	1.80
22	Book Value Per Share	98.66	86.65	85.00	78.62	67.20	51.81

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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 on 21 <sup>st</sup> October, 2008

**COMPANY SECRETARY**

Mr. Vineet Chopra

**BANKERS**

State Bank of India Commercial Branch, Indore	ICICI Bank Ltd 9, Raffles Place, Singapore
IDBI Bank Ltd. Alankar Chambers, Indore	Bank of Ayudhya Public Company Limited Siyaek Asoke Branch, Bangkok Thailand

**AUDITORS**

M/s. Fadnis & Gupte Chartered Accountants, Indore	Mr. Phichat Phruksarojanakun BI Auditing Group Co., Ltd. Thailand
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**REGISTRAR & SHARE TRANSFER AGENT**

M/s. Link Intime India Private 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 – 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
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## NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the Members of the Company will be held on Tuesday the 21st day of July, 2009 at 1.00 p.m. at the registered office of the Company at 11/2, 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 2009 and the Profit and Loss Account for the year ended on that date together with 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. Mofatraj Munot, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. Abhishek Dalmia, 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.

### II. SPECIAL BUSINESS:

#### 6. Re-appointment of Mr. Sunil Chordia as Managing Director

To consider and if thought fit to pass with or without modification(s), if any, the following resolution as **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 re-appointment of Mr. Sunil Chordia as the Managing Director of the Company for a period of three years w.e.f. 1st April 2009 on the following remuneration:

- 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

**RESOLVED FURTHER THAT** Mr. Sunil Chordia, Managing Director of the Company shall also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the business of the Company;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion may consider necessary, expedient and desirable and to vary, modify the terms and conditions and to settle any question or doubt that may arise in relation thereto and to decide breakup of the remuneration within the above said maximum permissible limit;

**RESOLVED FURTHER THAT** all the decisions and actions taken by Mr. Sunil Chordia, as Managing 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.”

#### 7. Revision in terms of remuneration of Mr. Deepesh Trivedi, C. O. O. & Executive Director

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 partial modification of Resolution no. 8 passed at the Annual General Meeting of the Company held on September 20, 2008 and pursuant to the provisions of Sections 198, 269, 302, 309, 310, 311 and other applicable provisions, if any, read with provisions of Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of members and such approvals as may be necessary, approval of the Company be and is hereby accorded to the revision and increase in remuneration of Mr. Deepesh Trivedi, C.O.O & the Executive Director of the Company w.e.f. 1st April 2009 for the remaining tenure of his appointment as under.

- a) Basic Salary: Rs. Ninety Thousand per month.
- b) House Rent Allowance: Rs. Thirty Two Thousand per month.
- c) Conveyance Allowance: Rs. Fifteen Thousand per month
- d) Restructuring Allowance: Rs. Thirty Thousand per month.
- e) Leave Travel Allowance: Reimbursement once in a year not exceeding Rs. Fifty Four thousand.
- f) Medical Reimbursement : Not exceeding Rs. Twenty Four 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) Gratuity payment computed at half a month's salary for each completed year of service
- j) 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.

By Order of the Board

**SUNIL CHORDIA**

MANAGING DIRECTOR

Indore

Dated: 29th May, 2009

### 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 business under item no. 6 & 7 set out above are annexed hereto.
3. The Register of Members and the share transfer book of the Company will remain closed from the 3<sup>rd</sup> July, 2009 to 10<sup>th</sup> July, 2009 (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 21<sup>st</sup> July, 2009.
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 re-appointment are 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. Link Intime India Private 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. Link Intime India Private 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 2002-03 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**

The Board of Directors of the Company at its meeting held on 21st January, 2009 re-appointed Mr. Sunil Chordia as Managing Director for a period of three years w.e.f. 1st April, 2009 to 31st March, 2012 subject to approval of members in the Annual General Meeting. The terms of appointment of Mr. Sunil Chordia were considered and approved by the Remuneration Committee. Past remuneration inclusive of perks & allowances of Mr. Sunil Chordia was Rs. 36,00,000/- p.a.

**JOB PROFILE AND SUITABILITY**

Under the leadership of Mr. Sunil Chordia, the Company has made rapid strides in the Tyre Bead Wire business. His broad global perspective has seen the Company expanding its horizons and positioning itself to

become an International player. The Company is continuously getting approvals from major Tyre manufacturers in the Global market.

**COMPARATIVE REMUNERATION PROFILE WITH RESPECT TO INDUSTRY, SIZE OF THE COMPANY, PROFILE OF THE POSITION AND PERSON.**

The prevalent levels of remuneration in manufacturing industries, in general and steel industry, in particular, are higher. Taking into account the turnover of the Company, Mr. Sunil Chordia's academic qualification, rich experience, his invaluable contribution to the Company, the increasingly key role he played in the turnaround and comparable remuneration levels in the country, proposed remuneration is reasonable and befits his position.

In terms of provisions of section 198, 269, 309, 310 and Schedule XIII to the Companies Act, 1956 the approval of the members of the Company is being sought to confirm re-appointment of Mr. Sunil Chordia, as Managing Director of the Company as set out in the resolution.

Directors recommend passing of the resolution as **SPECIAL RESOLUTION**.

None of the Directors other than Mr. Sunil Chordia and Mr. Chandanmal Chordia is concerned or interested in this resolution.

The Explanatory Statement is and may be treated as an abstract under section 302 of the Companies Act, 1956.

**ITEM NO. 7**

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. Deepesh Trivedi C.O.O. & Executive Director of the Company, should be sufficiently increased and revised.

The existing remuneration of Mr. Deepesh Trivedi was sanctioned by the members, at the Annual General Meeting held on 20th September, 2008 which is proposed to be increased to Rs. 90,000/- p.m. as against existing remuneration of Rs. 80,000/- p.m.

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 27th May 2009. 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 RESOLUTION**.

None of the Director other than Mr. D. Trivedi is concerned or interested in this resolution.

The Explanatory Statement may be treated as an abstract under section 302 of the companies Act, 1956.

Indore

Dated: 29th May, 2009

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 seeking re-appointment, revision of remuneration under item nos. 3, 4, 6 & 7**

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. Mofatraj Munot	Higher Secondary	65	38	25.05.1994	Kalpataru Power Transmission Ltd Capribans (India) Ltd., Kalpataru Ltd.
2.	Mr. Abhishek Dalmia	B.Com. (Hons), FCA, ACWA	40	17	11.07.2005	Revathi Equipment Limited Ashiana Housing and Finance (India) Ltd. Saffron Agencies Ltd., Renaissance Stocks Ltd., Utkal Investments Ltd. Revathi Drilling and Mining Ltd. Shogun Organics Limited
3.	Mr. Sunil Chordia	BSc., DCMA, MBA	46	24	09.09.1988	Rajratan Investments Limited
4.	Mr. Deepesh Trivedi	BE (Mech.)	54	29	21.01.2008	NIL

\* Mr. Mofatraj Munot holds 700 shares in the Company as on 31<sup>st</sup> March 2009.

\*\* Mr. Abhishek Dalmia do not hold any share in the Company as on 31<sup>st</sup> March 2009.

## DIRECTORS' REPORT

To the Members,

Your Directors hereby present their Twenty First 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, 2009.

### FINANCIAL RESULTS:

	(Rs. In Lacs)	
	2008-09	2007-08
<b>Profit before Depreciation</b>	<b>1185.44</b>	<b>475.80</b>
Less: Depreciation	304.97	292.44
<b>Profit before Taxation</b>	<b>880.47</b>	<b>183.36</b>
Less: Provision for Taxation		
-Current Tax including Fringe Benefit Tax	299.10	22.81
-Deferred Tax	9.55	41.16
Prior Period Expenditure/(Income)	(0.86)	(4.57)
<b>Profit After Tax</b>	<b>572.68</b>	<b>123.96</b>
Add: Surplus of Previous Year	81.71	58.66
Amount available for appropriation	654.39	182.62
<b>APPROPRIATION</b>		
Proposed Dividend	43.52	43.52
Dividend Tax	7.39	7.39
Transfer to General Reserve	500.00	50.00
Balance carried to Balance Sheet	103.48	81.71

### PERFORMANCE HIGHLIGHTS:

During the year, your Company has witnessed good demand and profitability in first half as compared to the same period in past years. However, due to global economic slowdown the same could not be sustained in second half. The year ended with Net Sales of Rs. 145 Crores against Rs. 106 Crores in previous year recording a growth of 37% and Profit after tax of Rs. 5.73 Crores as against Rs. 1.24 Crores in previous year recording a growth of 462%.

### PROSPECTS AND OUTLOOK:

We feel that the Indian industry overreacted to global slowdown and there was an adverse effect of this over-reaction in the second half. However, we have taken the corrective measures and our outlook for the year 2009-10 continue to be positive. We do not anticipate the same level of volatility in steel prices in current year and anticipate overall growth of 20% in business.

### SUBSIDIARY COMPANY:

Rajratan Thai Wire Co. Ltd., Thailand (RTWL), the wholly owned subsidiary of the Company has started commercial production of first phase from June 2008 and continued to grow as planned till September 2008. However, business became very slow due to global economic slowdown and RTWL being new in the market had to suffer more. RTWL achieved sales volume of 2791 MT the Net Sales recorded to Rs. 14.43 Crores and suffered Net Loss of Rs. 6.13 Crores. RTWL is aggressively putting efforts to penetrate the market and already submitted samples to major tyre companies for approval. We are hopeful that as soon as the approval process is complete, the production and supplies will be in full swing and RTWL will soon become a dominant player in Thailand and whole of South East Asia.

### DIVIDEND:

To continue with the trend, your directors have recommended dividend @ 10% (Rs. 1 per share) for the financial year 2008-09 subject to approval of shareholders at the forthcoming Annual General Meeting.

### DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Mr. Mofaraj Munot and Mr. Abhishek Dalmia retires by rotation at the ensuing Annual General Meeting and being eligible offers themselves for reappointment. The tenure of Mr. Sunil Chordia, Managing Director, has expired on 31st

March 2009 and Board of Directors at their meeting held on 21st January, 2009 has re-appointed him for the period of three years w.e.f. 1st April, 2009 subject to the approval of members in ensuing Annual General Meeting. The Board recommends his re-appointment. During the year, Mr. Nihalchand Kothari resigned with effect from 21st October 2008. The Board places on record its appreciation for the contribution made by Mr. Nihalchand Kothari as Director.

### AUDITORS:

M/s. Fadnis & Gupte, Chartered Accountants, Indore, the Statutory Auditors, are retiring at the conclusion of Twenty First 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 deposits during the year from the public and has no public deposits outstanding as on 31st March 2009.

### 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. There was no suspension of trading during the year under review.

### INDUSTRIAL RELATIONS:

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

### 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.	46	--	09.09.1988	B.Sc, DCMA, M.B.A	24	3600000/- p.a.

### 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 conformed that:

- 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.
- 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, 2009.
- 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 placed 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.

Place: Indore  
Dated: 29th May 2009

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 2008-09.

**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>2008-09</b>	<b>2007-08</b>
<b>1. ELECTRICITY:</b>		
(a) Unit Consumed: (KWH)		
Purchased from MPEB	11055306	11490865
Generation through Wind Mill (Transfer to Grid)	2733085	2583755
Total Units	13788391	14074620
Total Amount	62259402	61100026
Rate/Unit	4.52	4.34
<b>2. L.P.G/PROPANE/RLNG</b>		
Quantity (Kgs)	1521390	1549990
Total Amount	26959688	21152354
Average Rate (Per Kg)	17.72	13.65
<b>3. DIESEL/SKO/LDO:</b>		
Quantity (Ltrs)	9075	16580
Total Amount	343990	546492
Average Rate	37.91	32.96
Consumption per Unit of production		
Electricity (Units)	539	545
L.P.G/RLNG (Kgs)	59	60

The Company has incurred the following expenses in foreign currency:

- On foreign travels 2,94,662/- (Rs.3,37,507/-), for purchase of journals & periodicals 5,708/- (NIL), on Advertisement 96,098/- (17,000/-) on Capital Goods 14,45,524/- (NIL), on import of raw material in foreign exchange during the year 12,37,36,479/- (Rs. 9,01,29,092/-) Testing Fees Rs. 14,154/- (NIL), on components and sphere parts 2,76,808/- (44,760/-).

- The F.O.B value of exports during the year was Rs. 15,12,75,139/- (14,06,66,053/-)
- Remittance in Foreign Currency: Investment in Rajratan Thai Wire Co. Ltd. Rs. 2,33,33,183/- (5,21,71,915/-), share application money Rajratan Thai Wire Co. Ltd. 2,88,167/- (Rs. 3,69,43,460/-).



## B. TECHNOLOGY ABSORPTION:

### RESEARCH AND DEVELOPMENT (R&D):

#### 1. Specific area in which R&D activities were carried out by the Company were:

- Studies were made and , subsequently, the Bronze Coating parameters were established to obtain optimum Tin value in the coating of automotive bead wires.
- "Mistake-Proofing" was conceived, designed and installed to regulate the critical process- parameters in strand pickling and heat treatment sections.

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

- Enhanced product acceptance
- Ability to produce bead wires with very high Tin content.
- Process Capability improvement.

#### 3. Future plans of action:

- To make 'Strand Pickling operations easier and healthier by improving pay-off systems.
- To extend the use of pressure die system in all sizes (At present 0.89 mm size is established with this system)

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

- Capital	25,979/-
- Recurring	1,30,434/-
- Total	1,56,413/-
- Total R & D Expenditure	0.010
(as a percentage of total turnover)	

### TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION

#### 1. Efforts in brief made towards Technology Absorption, Adoption & Innovation:

##### a. Product Development

- Conceiving and converting existing spare capacity to produce galvanised high tensile wires with high zinc coating weights.

##### b. Process Development

- Adoption of continuous – auto –coiler on F3 machine
- Complete migration to environment healthy strand pickling from the old batch pickling

##### c. Power Management

- Successfully commissioned the automatic "Demand Controller" thereby fully utilizing the contract demand from electricity provider (MPEB). The automation eliminates any excessive charges that may otherwise arise from time to time.

#### Benefits derived as a result of above efforts:

- a. Widening of Customer & Product base.
- b. Congenial & safe work environment.
- a. Savings of undesirable and unutilized expenditure in power.

Indore

Dated: 29th May 2009

For and on behalf of the board

**SUNIL CHORDIA**

MANAGING DIRECTOR

Report  junction.com

**REPORT ON CORPORATE GOVERNANCE**

(Pursuant to Clause 49 of the Listing Agreement)

**1. COMPANY'S 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, 2009 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	YES	1
Mr. P.D. Nagar	Non Executive & Independent	4	YES	5
Mr. S. S. Mehta	Non Executive & Independent	4	NO	1
Mr. Mofatraj Munot	Non Executive & Independent	0	NO	3
Mr. Abhishek Dalmia	Non Executive	4	NO	7
Mr. Chandrasekhar Bobra	Non Executive & Independent	3	YES	NIL
Mr. Deepesh Trivedi	Executive Director	3	YES	NIL

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**

Four Board Meetings were held during the year 2008-09 on 21st May 2008, 21st July 2008, 21st October 2008 and 21st January 2009.

**Details of Directors seeking re-election**

Mr. Mofatraj Munot and Mr. Abhishek Dalmia 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**

- i. To investigate any activity within its term of reference
- ii. To seek information from any employees
- iii. To obtain outside legal or other professional advice
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary
- v. To review with the Management the annual/half-yearly/quarterly financial statements
- vi. To review the Company's financial and risk management policies and the adequacy of internal control systems.
- vii. To hold separate discussions with Head-Internal Audit, Statutory Auditors and among members of the Audit Committee to ensure whether the financial statements are fairly presented in conformity with the Accounting Standards issued by ICAI.