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वसुदेवसुतं देवं कंसचाणूरमर्दनम् । देवकीपरमानन्दं कृष्णं वन्दे जगद्गुरुम् ॥



10th
Annual Report 2001-02

RAM RATNA WIRES LTD.
AN ISO 9002 COMPANY



SHRAMIK™

BOARD OF DIRECTORS :

Shri Rameshwarlal Kabra	Chairman
Shri Tribhuvanprasad Kabra	Managing Director
Shri Mahendrakumar Kabra	Director
Shri Shreegopal Kabra	Joint Managing Director
Shri Satyanarayan Loya	Director
Shri Vishnu Anant Mahajan	Director
Shri Rajkumar Rathi	Director

AUDITORS :

V.C. Darak & Associates
Chartered Accountants
"Yashodhan", 1st Floor,
Malviya Road (Post Office Road),
Vile Parle (E),
Mumbai - 400 057.

BANKERS :

ICICI Bank Limited
Allahabad Bank
Dena Bank

REGISTERED OFFICE :

Ram Ratna House, Victoria Mill Compound,
Pandurang Budhkar Marg, Worli,
Mumbai - 400 013

CORPORATE OFFICE :

305/A, Windsor Plaza,
R.C. Dutt Road,
Alkapuri,
Vadodra - 390 007

Notice

Notice is hereby given that **10th Annual General Meeting** of Members of **M/s. Ram Ratna Wires Limited** will be held at its Registered Office Ram Ratna House, Victoria Mill Compound, P.B. Marg, Worli, Mumbai - 400 013 on Tuesday, 27th August, 2002 at 4.00 P.M. to transact the following business:-

Ordinary business

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2002 and Profit and Loss Account for the year ended on that date together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in Place of Shri Rameshwarlal Kabra who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Satyanarayan Loya who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

Special business

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution :

"RESOLVED THAT the consent of the Company be and is hereby accorded under Section 293(1)(a) and other applicable provisions of the Companies Act, 1956, to the creation by the Board of Directors on behalf of the Company of such mortgages, charges, hypothecations and floating charges in such form and such manner as may be agreed between the Board of Directors and the Company's lenders on all or any of the immovable or movable properties of the Company both present and future of every nature and kind whatsoever and the undertaking of the Company in certain events, to secure Term Loans/Working Capital facilities/External Commercial Borrowings/Debentures etc. not exceeding Rs. 25 crores (Rupees twenty five crores only) from Financial Institutions/Banks and other agencies/parties with interest thereon, commitment charges, liquidated damages and/or charges already created or to be created in future by the Company in such manner as may be thought expedient by the Board of Directors."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to finalise the documents for creating the aforesaid mortgages and/or charges and to do all such acts, things and matters as may be necessary for giving effect to the above Resolution."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution :

"RESOLVED THAT in super session of the Ordinary Resolution passed at the Extra Ordinary General Meeting of the Company held on 27th January, 1994, consent of the Company be and is hereby accorded pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company for borrowing from time to time, any sum or sums of money for the purposes of the Company upon such terms and conditions and with or without security as the Board of Directors may in its discretion think fit, notwithstanding, that the money or monies to be borrowed by the Company (apart from the temporary loans obtained or to be obtained from time to time from the Company's bankers in the ordinary course of business) together with the money already borrowed, may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes, provided however that the sums so borrowed and remaining outstanding on account of principal shall not, at any time exceed Rs. 25 Crores (Rupees twenty five crores only)."



Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956

Item no. 5

In view of the increasing business operations and borrowings of the Company, the Company may have to create further charges/mortgages in favour of the lenders. Therefore, a Resolution enabling the Directors to create charges/mortgages on the movable/immovable properties of the Company to the extent of Rs. 25 crores is proposed.

Since the mortgaging by the Company of its immovable and movable properties, as aforesaid, in favour of the Institutions/Banks may be regarded as disposal of the Company's properties/undertakings, it is necessary for the members to pass a Resolution under Section 293(1)(a) of the Companies Act, 1956 before creation of the said charges/mortgages.

None of the Directors of the Company is concerned or interested in the said resolution.

Item no. 6

In view of the increasing business operations and proposed expansion of the Company, it would be advisable to increase the borrowing powers of the Directors from Rs. 10 crores to Rs. 25 crores.

None of the Directors of the Company is concerned or interested in the said resolution.

The Directors recommend the Resolution for your approval.

Notes :

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- b) The Register of Members and the Share Transfer Books of the company will remain closed from 20th August, 2002 to 27th August, 2002 (both days inclusive).
- c) Shareholders holding shares in identical order of names in more than one folio are requested to write to the Company's Registrars to enable the Company to consolidate their holdings in one folio.
- d) Members are requested to notify change in their address, if any, immediately to the registrar and transfer agent. IIT Corporate Services Limited, Protoprima Chambers, 2nd Floor, Suren Road, Andheri (E), Mumbai - 400 093.

By Order of the Board of Directors

Place : Mumbai
Date : 30th May, 2002

Tribhuvanprasad Kabra
Managing Director

Regd. Office :

Ram Ratna House,
Victoria Mill Compound,
Pandurang Budhkar Marg,
Worli,
Mumbai - 400 013

DIRECTOR'S REPORT

To The Members,

Your Directors have pleasure in presenting their 10th Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2002.

1. FINANCIAL HIGHLIGHTS

	(Rupees in lakhs)	
	Year ended 31st March, 2002	Year ended 31st March, 2001
Sales and other income	5993.24	6071.69
Profit before interest and depreciation	376.31	418.72
Interest	161.67	189.77
Depreciation	72.22	63.08
Profit before tax	142.42	165.87
Provision for taxation		
Income Tax	12.36	13.41
Deferred Tax	24.87	Nil
	37.23	13.41
Net profit after tax	105.19	152.46
Extra Ordinary and Prior period items	(0.07)	(15.52)
Balance available for appropriations	105.12	136.94
Less : Appropriations		
Proposed Dividend on Equity Shares	Nil	76.70
Corporate Tax thereon	Nil	7.82
	Nil	84.52
Balance carried to Balance Sheet	105.12	52.42

2. DIVIDEND

Your Directors wish to plough back funds for expansion as such no dividend has been recommended for the year under review.

3. OPERATIONS

The Company achieved total turnover of Rs. 5993.24 lacs (previous year Rs. 6071.69 lacs). After depreciation and interest and other items it has earned a net profit of Rs.105.12 lacs (previous year Rs.136.94 lacs) which has been carried to Balance Sheet. During the year your Company has provided for the Deferred Tax Liability of Rs. 16.62 lacs cumulatively up to 31st March, 2001 and reduced the same from balance of Profit and Loss Account.

Keeping in view the current market scenario and needs of customers your Company has placed order for two enamelling machines. Letter of credit has already been opened and machines are expected to arrive in beginning of June, 2002. The estimated cost of expansion including working capital margin is Rs.287 lacs which will be financed by term loan of Rs. 155 lacs and balance from internal accruals.

4. PARTICULARS OF EMPLOYEES

The Company does not have any employee who is in receipt of remuneration aggregating to the sum prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1999.

5. DIRECTORS

Shri Rameshwarlal Kabra and Shri Satyanarayan Loya retire by rotation and being eligible offer themselves for re-appointment.

**6. AUDIT COMMITTEE**

- (i) The Audit Committee was constituted by the Board at their meeting held on 30th January, 2001. The audit committee comprised of four member Directors viz :-
- | | | |
|-------------------------------|---|------------------------|
| (1) Shri Rameshwarlal Kabra | - | Non-executive Director |
| (2) Shri Vishnu Anant Mahajan | - | Non-executive Director |
| (3) Shri Satyanarayan Loya | - | Non-executive Director |
| (4) Shri Mahendrakumar Kabra | - | Executive Director |
- The committee has elected Shri Vishnu Anant Mahajan as it's Chairman.
- (ii) The Audit Committee meetings were held on 23rd April, 2001, 23rd July, 2001, 11th October, 2001 and 29th May, 2002.
- (iii) At the invitation of the Committee, Statutory Auditors and General Manager (Comm.) also attended the Audit committee meetings to answer and clarify queries raised at the Committee meetings.
- (iv) The role and terms of reference of the Audit Committee covers the matter specified for Audit Committees under Section 292A of the Companies Act, 1956.

7. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibilities Statement, it is hereby confirmed :

- that in the preparation of the annual accounts for the financial year ended 31st March, 2002, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were 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 the year under review;
- that the Directors had 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;
- that the Directors had prepared the accounts for the financial year ended 31st March, 2002 on a going concern basis.

8. AUDITORS

M/s V.C. Darak & Associates, Chartered Accountants, the Company's Auditor's, will retire at the conclusion of this Annual General Meeting and are eligible for re-appointment. They have given their consent to act as Auditors of the Company if re-appointed and have confirmed that their re-appointment, if made, would be within the prescribed limits U/S 224(1B) of the Companies Act, 1956.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Additional information as required in terms of the provision of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, is annexed herewith and form part of this report (Annexure A).

10. ACKNOWLEDGMENT

The Directors wish to place on record their appreciation of the continuous support received by the Company from the investors, participating Financial Institutions, Banks, Central and State Government Departments, its Customers and Suppliers.

The Directors also appreciate the dedicated and sincere efforts put in by all employees in the performance of the Company.

For and on behalf of the Board

Place : Mumbai
Date : 30th May, 2002

Rameshwarlal Kabra
Chairman

ANNEXURE A

ADDITIONAL INFORMATION AS REQUIRED IN TERMS OF THE PROVISIONS OF SECTION 217(1) (e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

(A) CONSERVATION OF ENERGY

- (a) In major indigenous machinery's your company incorporated Energy Saving Electronics Thyristor Control Panels developed by Siemens which saves energy.
- (b) Your Company has imported Enamelling Machines which are having the least power consumption, thereby conserving energy apart from eliminating pollution.
- (c) Your Company has installed energy meters in major energy consuming machines. The day to day consumption is monitored, thereby ways and means are adopted to reduce the power consumption in an effort to save energy.
- (d) Total energy consumption and energy consumption per unit of production :
Form 'A' of the annexure to the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, is not applicable.

(B) TECHNOLOGY ABSORPTION

The technology required for manufacturing products of your Company is indigenous. This indigenous technology is being absorbed for the products of your Company.

(C) FOREIGN EXCHANGE EARNING AND OUTGO

- 1. Foreign Exchange Earnings : Rs. NIL
- 2. Foreign Exchange Outgo : Rs. 4.12 lacs

For and on behalf of the Board

Place : Mumbai
Date : 30th May, 2002

Rameshwarlal Kabra
Chairman

