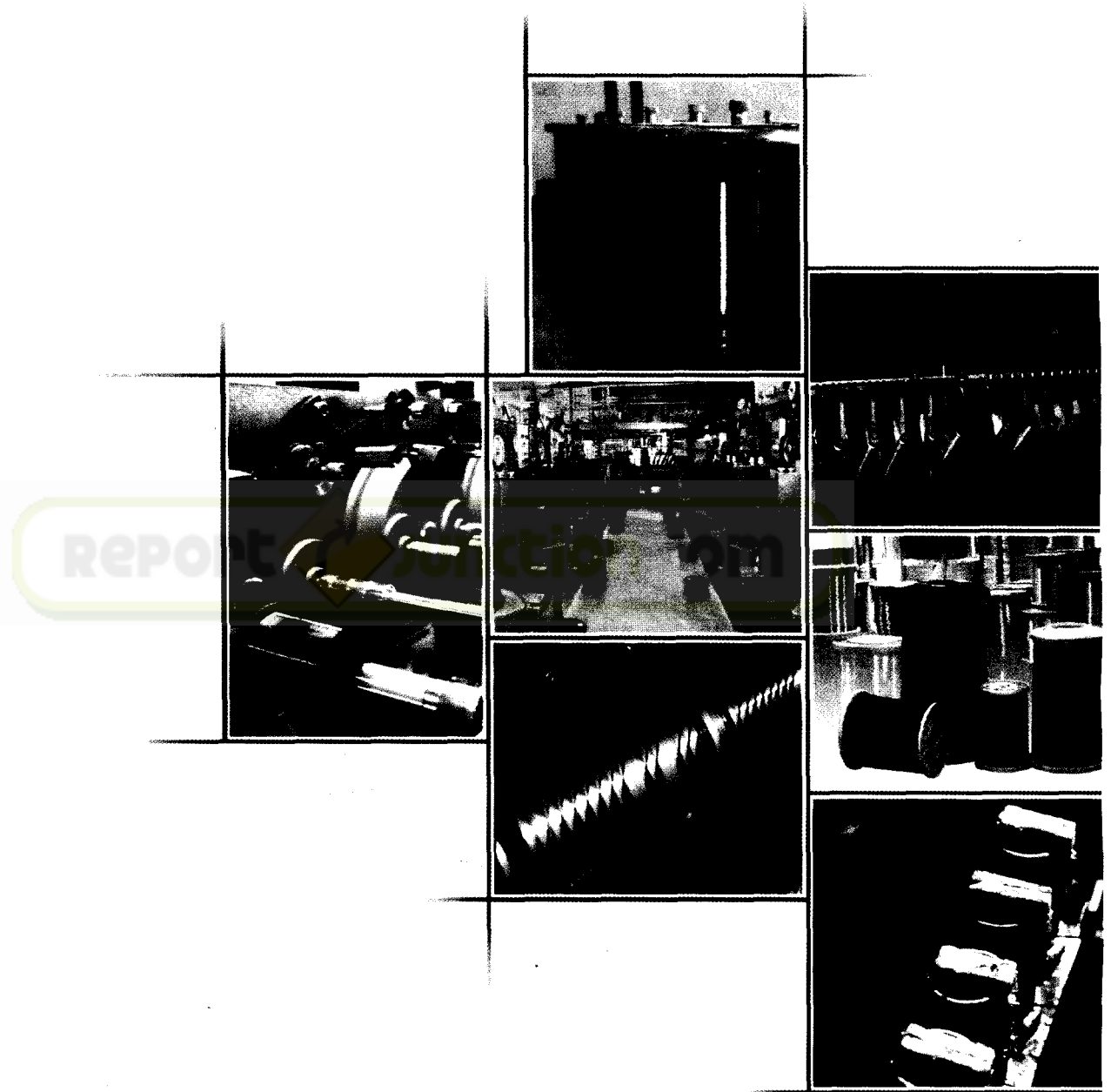




॥ श्रीः ॥

वसुदेवसुतं देवं कंसचाणूरमर्दनम् । देवकीपस्मानन्दं कृष्णं वन्दे जगद्गुरुम् ॥

(वसुदेव के पुत्र, जिन्होंने कंस और चाणूर का मर्दन किया, माता देवकी को पस आनन्द प्रदान किया, ऐसे जगद्गुरु श्रीकृष्ण को वंदन करता हूँ।)



**RAM RATNA WIRES LTD**  
AN ISO 9001 COMPANY

14th Annual Report 2005 - 06

## Ram Ratna Wires Limited



## FINANCIAL HIGHLIGHTS

## OPERATING RESULTS

(Rs. In Lacs)

	2005-06	2004-05	2003-04	2002-03	2001-02
<b>INCOME</b>					
Sales / Income from Operations	15413.74	12635.24	10166.46	6876.78	5999.84
Less: Excise Duty	2101.80	1737.88	1400.88	951.11	833.78
	13311.94	10897.36	8765.58	5925.67	5166.06
Other Income	2.00	0.00	0.00	0.26	0.00
	13313.94	10897.36	8765.58	5925.93	5166.06
<b>EXPENDITURE</b>					
Materials & Overheads (+/- Stock Adj.)	12637.72	10337.01	8326.66	5541.93	4789.75
<b>PROFIT BEFORE INTEREST &amp; DEPRECIATION</b>	676.22	560.35	438.92	384.00	376.31
Less: Interest ( Net )	227.05	138.35	117.38	147.38	161.67
<b>PROFIT BEFORE DEPRECIATION</b>	449.17	422.00	321.54	236.62	214.64
Less: Depreciation	146.82	119.45	103.76	86.43	72.22
<b>PROFIT BEFORE TAX, EXTRAORDINARY ITEMS &amp; PRIOR PERIOD ADJUSTMENTS</b>	302.35	302.55	217.78	150.19	142.42
Less: Extra Ordinary Items & Prior Period Adjustments	5.54	0.11	0.86	0.69	0.07
<b>PROFIT BEFORE TAX</b>	296.81	302.44	216.92	149.50	142.35
Less: Previous Year's Tax	0.20	0.00	0.00	0.00	0.00
Less: Current Tax	46.50	69.77	43.09	11.77	12.36
Less: Deferred Tax	60.72	13.26	12.73	34.29	24.87
<b>NET PROFIT AFTER TAX</b>	189.39	219.41	161.10	103.44	105.12
<b>DIVIDEND (%)</b>	12.5	12.5	10	5	—
<b>EARNINGS PER SHARE (Rs.)</b>	2.00	2.71	2.10	1.35	1.37

**Ram Ratna Wires Limited****BOARD OF DIRECTORS:**

Shri Rameshwarlal Kabra	Chairman
Shri Tribhuvanprasad Kabra	Managing Director
Shri Mahendra Kumar Kabra	Whole Time Director
Shri Vishnu Anant Mahajan	Director
Shri Satyanarayan Loya	Director
Shri Mukund Chitale	Additional Director (w.e.f. 28 <sup>th</sup> December, 2005)
Shri Ajai Singh	Additional Director (w.e.f. 29 <sup>th</sup> June, 2006)

**AUDITORS:**

V. C. Darak & Associates,  
Chartered Accountants, Mumbai.

**BANKERS:**

State Bank of India  
Allahabad 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.

**WORKS:**

- (1) Survey No. 212(2),  
Near Dadra Checkpost, Village Dadra,  
U. T. of Dadra & Nagar Haveli,  
Pincode - 396 191.
- (2) Salasar Copper  
Survey No. 142(2), Village Karad,  
Madhuban Dam Road, Rakholi,  
U. T. of Dadra & Nagar Haveli,  
Pincode - 396 240.

**REGISTRAR AND TRANSFER AGENT:**

Sharepro Services,  
Satam Estate, 3rd Floor,  
Above Bank of Baroda,  
Cardinal Gracious Road,  
Chakala, Andheri (East),  
Mumbai - 400 099.

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## NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of Ram Ratna Wires Limited will be held at Maheshwari Bhavan, 603, Jagannath Shankar Seth Road, Mumbai - 400 002 on Saturday, the 23<sup>rd</sup> day of September, 2006 at 11:00 A.M. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2006 and Profit and Loss Account for the year ended on that date together with Reports of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri Rameshwarlal Kabra, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Satyanarayan Loya, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS:

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Shri Mukund Chitale who was appointed as an Additional Director of the Company on 28<sup>th</sup> December, 2005 pursuant to the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company and who would vacate his office at the ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 along with necessary deposit from a shareholder proposing the candidature of Shri Mukund Chitale as a Director of the Company, be and is hereby appointed as a Director of the Company, whose office shall be liable to retirement by rotation."
7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Shri Ajai Singh who was appointed as an Additional Director of the Company on 29<sup>th</sup> June, 2006 pursuant to the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company and who would vacate his office at the ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 along with necessary deposit from a shareholder proposing the candidature of Shri Ajai Singh as a Director of the Company, be and is hereby appointed as a Director of the Company, whose office shall be liable to retirement by rotation."
8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:  
"RESOLVED THAT as per the recommendation of Remuneration Committee and pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII to the Companies Act, 1956 and subject to such other approvals as may be necessary, Shri Mahendra Kumar Kabra be and is hereby re-appointed as the Whole Time Director of the Company for a period of three years with effect from 1<sup>st</sup> June, 2006 upon the terms and subject to the conditions as set out hereunder, with further liberty to the Board of Directors of the Company to alter and vary the said terms and conditions, in such manner as may be agreed to between the Directors and Shri Mahendra Kumar Kabra but subject to the provisions contained in Schedule XIII to the Companies Act, 1956, as amended from time to time."
  - a) Salary of Rs. 1,50,000/- per month.
  - b) Perquisites:
    - (i) Furnished accommodation at Silvassa including gas, electricity and water, medical reimbursement and leave travel concession for self and family, club fees, medical insurance.
    - (ii) Company's contribution to Provident Fund to the extent the same is not taxable under the Income Tax Act, 1961.
    - (iii) Provision for use of company car for official duties and telephone at residence and mobile phone (including payment of local calls and long distance official calls).

The perquisites referred to in paras (ii) and (iii) will not be included in the computation of ceiling on remuneration.

**Ram Ratna Wires Limited**

"RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to the Whole Time Director shall be governed by Section II of Part II of Schedule XIII to the Companies Act, 1956 or any statutory modification thereof and the same shall be treated as the Minimum Remuneration payable to the said Whole Time Director."

"RESOLVED FURTHER THAT during such time as Shri Mahendra Kumar Kabra holds and continues to hold office of the Whole Time Director, he shall not be liable to retirement by rotation as a Director."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such actions and do all such things as may be necessary or desirable to give effect to this resolution."

For and on behalf of the Board of Directors

Place : Mumbai  
Dated : 29<sup>th</sup> July, 2006

**Tribhuvanprasad Kabra**  
**Managing Director**

**REGISTERED OFFICE:**

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

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 (fortyeight) hours before the time fixed for holding the meeting.
3. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Assistant Vice President (Commercial) so as to reach the registered office of the Company at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
4. The Register of Members and Share Transfer Books will remain closed from Saturday, 16<sup>th</sup> September, 2006 to Saturday, 23<sup>rd</sup> September, 2006 (both days inclusive).
5. The payment of dividend, if any, declared at the Annual General Meeting, will be made to those shareholders whose names appear on the Company's Register of Members on 23<sup>rd</sup> September, 2006 or to their nominees. In respect of shares in dematerialized form, dividend will be paid to the beneficial owners as at the end of business hours on 15<sup>th</sup> September, 2006 as per the details to be received from Depositories for the purpose. Dividend warrants shall be dispatched within thirty days from the date of the Annual General Meeting.
6. Members are requested to notify immediately any change in their address / bank mandate to their respective Depository Participant (DP) in respect of their electronic share accounts and to the Company's Registrar & Share Transfer Agent at Sharepro Services (India) Private Limited, Satam Estate, 3<sup>rd</sup> Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai – 400 099 in respect of their physical share folios.
7. Members are requested to bring their copy of Annual Report to the Meeting.
8. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.
9. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Item Nos. 6 to 8 is appended hereto.

# Ram Ratna Wires Limited



## BRIEF RESUME OF PERSONS PROPOSED TO BE APPOINTED / RE-APPOINTED AS DIRECTOR OF THE COMPANY AT THE ANNUAL GENERAL MEETING:

Name	Shri Rameshwarlal Kabra	Shri Satyanarayan Loya	Shri Mukund Chitale	Shri Ajai Singh	Shri Mahendra Kumar Kabra
Age	72 years	76 years	56 years	50 years	49 years
Qualification & Nature of Expertise	Industrialist	Consultant	B. Com, F.C.A.	B.A., M.B.A.	Licentiate Mechanical Engineer, Industrialist
Experience	Over 40 years of experience in winding wire industry.	Was associated with renowned group in paper industry for over 30 years.	Shri Mukund Chitale is a practicing Chartered Accountant since 1973. He was the President of ICAI during 1997-98. He is also a member of Board of Supervision of NABARD. He is also trustee of various Social Organisations. He had been member of various Committees like The International Auditing Practices Committee of The International Federation of Accountants, The Committee for Collective Investment Schemes appointed by SEBI, Company Law Advisory Committee, Verma Committee on restructuring of weak public sector banks appointed by RBI, to name a few.	Shri Ajai Singh has 26 years of work experience. He started his career as a Management Consultant. He did several consulting assignments during his employment. He has also worked for Philips India and K K Modi group of Companies in various capacities. Mr. Ajai Singh played a vital role in the launch of the Puma Brand and Walt Disney Company in India.  He is a Certified Professional Behavior Analyst, Certified Professional Value Analyst (the only one in South Asia), Certified Attribute Index Analyst, Certified Achieve Global Master Trainer, Certified Synergistic Master Trainer, Certified Entretel Master Trainer & Certified Leadership Foundation Master Trainer. He is a Certified Master Leadership Coach. He is the CEO of Organization Transformation International, India (OTI) – a management consulting firm.	Shri Mahendra Kumar Kabra has over 20 years of rich and varied experience in the Wire Industry. He has expert knowledge of extrusion line, insulation and enamelled wire. He has successfully led many projects and has been an icon of inspiration for his team members.

Contd...

**Ram Ratna Wires Limited**

Name	Shri Rameshwarlal Kabra	Shri Satyanarayan Loya	Shri Mukund Chitale	Shri Ajai Singh	Shri Mahendra Kumar Kabra
Name of Companies in which also holds Directorship	None	R R Kabel Limited	Oil and Natural Gas Corporation Ltd. Larsen & Toubro Limited e-Serve International Limited ASREC (India) Limited	None	Ram Ratna Research & Holdings Pvt. Ltd. R R Kabel Limited Kabra Colours Pvt. Ltd. MEW Electricals Pvt. Ltd. Ram Ratna Infrastructure Pvt. Ltd. Shwesh Infrastructure Pvt. Ltd. APS Infrastructure Pvt. Ltd.
Name of the Companies in Committees of which holds membership / chairmanship	None	R R Kabel Limited	Oil and Natural Gas Corporation Ltd. Larsen & Toubro Limited e-Serve International Limited ASREC (India) Limited	None	R R Kabel Limited
Shareholding of Non-Executive Directors in Ram Ratna Wires Limited	52,600	14,700	Nil	Nil	N.A.



**Ram Ratna Wires Limited****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item Nos. 6 and 7:**

With a view to making the Board of Directors broad based and bringing about greater effectiveness in the decision making process, Shri Mukund Chitale and Shri Ajai Singh were appointed as Additional Directors of the Company with effect from 28<sup>th</sup> December, 2005 and 29<sup>th</sup> June, 2006 respectively pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company. Pursuant to the provisions of the said section, the term of the office of the said Directors expires at the ensuing Annual General Meeting of the Company. The Company has received notices under Section 257 of the said Act along with the necessary deposits from shareholder proposing the respective candidatures of Shri Mukund Chitale and Shri Ajai Singh for the office of Directors of the Company.

The Board recommends the appointment of Shri Mukund Chitale and Shri Ajai Singh as Directors of the Company.

The resolutions vide Item Nos. 6 and 7 is therefore proposed for approval of the Members.

Shri Mukund Chitale and Shri Ajai Singh are concerned or interested in their respective resolutions at Item Nos. 6 and 7 of the Notice for their appointment as Directors of the Company. No other Director is interested or concerned in the said resolutions.

**Item No. 8:**

The present term of office of Shri Mahendra Kumar Kabra as the Whole Time Director of the Company expired on 31<sup>st</sup> May, 2006. The Board of Directors in its meeting held on 29<sup>th</sup> July, 2006 has as per the recommendation of the Remuneration Committee approved, subject to the approval of the members in the general meeting, the re-appointment of Shri Mahendra Kumar Kabra as the Whole Time Director of the Company for a further period of 3 (three) years with effect from 1<sup>st</sup> June, 2006 i.e. for the period from 1<sup>st</sup> June, 2006 to 31<sup>st</sup> May, 2009.

The broad particulars of remuneration payable to and the terms of re-appointment of Shri Mahendra Kumar Kabra as the Whole Time Director of the Company are given in the resolution at Item No. 8.

The re-appointment of Shri Mahendra Kumar Kabra as the Whole Time Director of the Company would require the consent of the shareholders of the Company pursuant to Sections 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956 and subject to the limits of Schedule XIII to the said act. The said resolution is therefore, recommended for your approval.

As per the requirements of Schedule XIII to the Companies Act, 1956, requisite information is given herein below in connection with the re-appointment of and payment of remuneration to Shri Mahendra Kumar Kabra as Whole Time Director of the Company.

**I) General Information:****1) Nature of Industry:**

The Company is engaged in the manufacturing of Super Enamelled Copper Winding Wires.

**2) Date of commencement of commercial production:**

Commercial production at Works at Silvassa commenced from November, 1995.

**3) Financial Performance based on given Indicators:**

**(Based on Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2006)**

Particulars	Rs. in Lacs
Sales and related income	15413.74
Operating Profit (Profit before Depreciation, Interest, Taxation & Extraordinary Items)	676.22
Net Profit (Profit after Taxation)	189.39
Paid-up Share Capital	947.00
Reserves & Surplus	668.23
Earning per Share (Rs.)	2.00
Book Value per Share (Rs.) Face Value of Share – Rs. 10/-	17.06



## Ram Ratna Wires Limited



### 4) Export Performance and Net Foreign Exchange Collaborations:

The Company's products are exported through third party and not directly. The Company had no foreign exchange collaborations.

### 5) Foreign Investments or Collaborators:

The Company does not have any foreign investments or collaborators.

## II) Information about the Appointee – Shri Mahendra Kumar Kabra

### 1) Background Details, Recognition/Awards, Job Profile and Suitability:

Shri Mahendra Kumar Kabra, 49 years of age, has more than 20 years of rich and varied experience and knowledge in Wire Industry. He has expert knowledge of extrusion line, insulation and enamelled wire. He has successfully led many projects and has been an icon of inspiration for his team members. He has been on the Board of Directors since its incorporation.

He has been serving as the Whole Time Director of the Company since 2003.

### 2) Past Remuneration and Proposed Remuneration:

Name of Director	Designation	Past Remuneration (Rs. in Lacs)	Proposed Remuneration (Rs. in Lacs)
Shri Mahendra Kumar Kabra	Whole Time Director	13.15	18.00

### 3) Comparative Remuneration profile with respect to industry, size of the company, profile of the position and person:

Shri Mahendra Kumar Kabra is serving as the Whole Time Director of the Company since last three years. He has been actively involved in the management of the affairs of the Company and has been instrumental in spearheading the growth of the Company. He has varied experience and expert knowledge of extrusion line, insulation and enamelled wire. The proposed remuneration is as per the prevailing industry norms.

### 4) The above named Managerial Person does not have any pecuniary relationship directly or indirectly with the Company other than the remuneration received/receivable by him as mentioned above.

## III) Other Information:

### (i) Reasons for loss or inadequacy of profits:

Due to very low value addition and increasing competition coupled with rising raw material prices, there is not much profit margin available. Hence, inspite of increasing sales the Company has not been able to make adequate profits.

### (ii) Steps taken to improve the performance of the Company:

By offering superior value to customers the Company will continue to improve its market share. The Company has expanded its production capacity by setting up a new unit in the name of M/s. Salasar Copper at Silvassa in the Union Territory of Dadra & Nagar Haveli for manufacturing Super Enamelled Copper Winding Wire. The Company has successfully commenced commercial production at the said new unit. This will help the Company to increase its performance by increasing its production and sales to meet the growing demand in the market. The Company will continue to expand and consolidate its position as one of the leading manufacturers of Super Enamelled Copper Winding Wire in the country.

### (iii) Expected Increase in Productivity:

The said expansion has increased the manufacturing capacity by approximately 2640 tpa.

### (iv) Expected Increase in Profits in measurable terms:

The Company has expanded its production capacity and expects substantial increase in the profits in long term. However, because of the low value addition, increasing competition and volatility in the market coupled with rising raw material prices, it is difficult to ascertain the increase in the profits in measurable terms.

**Ram Ratna Wires Limited**

The explanatory statement and the resolution at Item No. 8 of the Notice is and may be treated as an abstract of the terms of re-appointment of Shri Mahendra Kumar Kabra as the Whole Time Director of the Company as required under Section 302 of the Companies Act, 1956.

Shri Mahendra Kumar Kabra is concerned or interested in the resolution at Item No. 8 for his re-appointment as the Whole Time Director. All Directors except Shri Vishnu Anant Mahajan, Shri Mukund Chitale and Shri Ajai Singh are interested or concerned in the said resolution.

For and on behalf of the Board of Directors

Place: Mumbai  
Dated: 29<sup>th</sup> July, 2006

**Tribhuvanprasad Kabra**  
**Managing Director**

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