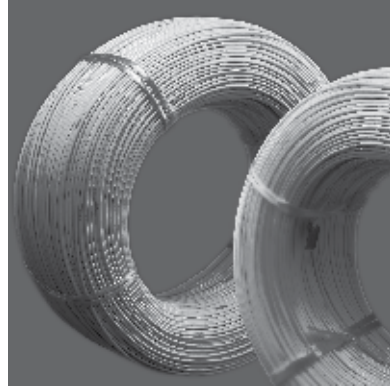




RAM RATNA WIRES LTD.
26th Annual Report 2017-18



वसुदेवसुतं देवं कंसचाणूरमर्दनम् । देवकीपरमानन्दं कृष्णं वन्दे जगद्गुरुम् ॥



26th ANNUAL GENERAL MEETING

Day & Date : Saturday, 15th September, 2018

Venue : Hotel Sun Ville,
9, Dr. Annie Besant Road,
Worli, Mumbai - 400 018

Time : 11:30 a.m.

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COMPANY INFORMATION

BOARD OF DIRECTORS

Shri Rameshwarlal Kabra	Chairman
Shri Tribhuvanprasad Kabra	Managing Director
Shri Mahendrakumar Kabra	Joint Managing Director
Shri Satyanarayan Loya	Director
Smt. Kirtidevi Kabra	Director
Shri Hemant Kabra	Additional Director and CFO
Shri Mukund Chitale	Independent Director
Dr. Ajai Singh	Independent Director
Shri Sandeep Jhanwar	Independent Director
Shri R. Kannan	Independent Director
Shri Prashant Deshpande	Independent Director
Shri H. S. Upendra Kamath	Additional Independent Director

REGISTERED OFFICE

Ram Ratna House,
Oasis Complex, P.B. Marg,
Worli, Mumbai - 400 013
Website: www.rrshramik.com
CIN : L31300MH1992PLC067802

CORPORATE OFFICE

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

WORKS (Unit -1)

Survey No. 142/2,
Madhuban Dam Road,
Village : Rakholi, Silvassa - 396 240
U.T. of Dadra & Nagar Haveli

WORKS (Unit -2)

Survey No. 212/2,
Near Dadra Check Post,
Village : Dadra, Silvassa - 396 193
U.T. of Dadra & Nagar Haveli

WORKS (Unit -3)

Survey No. 16/1, Madhuban
Colony, Sayli Road,
Village : Karad, Silvassa -396 240
U.T. of Dadra & Nagar Haveli

AVP (Finance & Accounts) and Company Secretary

Shri Madan Vaishnawa

STATUTORY AUDITORS

Bhagwagar Dalal & Doshi
Chartered Accountants
Mumbai

COST AUDITORS

Poddar and Company
Cost Accountants
Thane

SECRETARIAL AUDITOR

Khanna & Co.
Practicing Company Secretaries
Navi Mumbai

INTERNAL AUDITORS

DMKH & Co.
Chartered Accountants
Mumbai

BANKERS

State Bank of India
Corporation Bank
Allahabad Bank
Standard Chartered Bank
RBL Bank
AXIS Bank
HDFC Bank
Kotak Mahindra Bank
Yes Bank

REGISTRAR AND SHARE TRANSFER AGENT

Bigshare Services Private Limited,
1st Floor Bharat Tin Works Building,
Makwana Road,
Marol, Andheri (E), Mumbai - 400 069.
Tel No.: 91-22-40430200/6263 8200

BOARD OF DIRECTORS



Shri Rameshwarlal Kabra
Chairman



Shri Tribhuvanprasad Kabra
Managing Director



Shri Mahendrakumar Kabra
Joint Managing Director



Shri Satyanarayan Loya
Director



Smt. Kirtidevi Kabra
Director



Shri Mukund Chitale
Independent Director



Shri Sandeep Jhanwar
Independent Director



Shri R. Kannan
Independent Director



Shri Prashant Deshpande
Independent Director



Dr. Ajai Singh
Independent Director



Shri Hemant Kabra
Additional Director and CFO



Shri H. S. Upendra Kamath
Additional Independent Director

Financial Highlights - Standalone

(₹ in lakhs)

Description	2017-18*	2016-17*	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
A. Operating Results:								
Gross Sales and related income	105,287.19	89,019.20	80,124.86	82,704.27	77,579.77	76,280.07	61,305.92	54,601.96
Net Sales and related income	102,724.95	80,082.95	71,904.81	74,091.18	69,859.49	68,550.34	56,031.24	49,901.91
Other Income	284.06	164.70	170.24	230.53	112.48	101.09	106.39	39.44
Net Profit before Taxation	4,175.61	3,339.40	1,447.32	1,508.38	1,080.40	1,263.79	710.56	1,448.75
Provision for Taxation	1,524.54	1,150.70	512.59	526.18	387.47	394.42	201.93	501.61
Net Profit after Taxation	2,651.07	2,188.70	934.73	982.20	692.93	869.37	508.63	947.14
B. Financial Position:								
Fixed Assets (Net)	11,972.89	7,219.21	5,203.73	4,590.28	4,599.22	4,649.64	4,711.49	4,584.13
Non- Current Assets	1,052.62	964.06	643.57	716.65	655.86	462.23	384.60	1,502.47
Current Assets	25,432.80	21,556.45	14,830.97	15,390.11	15,155.85	16,136.54	12,518.65	9,665.74
Investments	7,552.02	4,097.49	284.29	284.42	251.91	206.19	146.75	43.88
TOTAL ASSETS	46,010.33	33,837.21	20,962.56	20,981.46	20,662.84	21,454.60	17,761.49	15,796.22
Share Capital	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00
Reserves and Surplus	15,498.94	11,381.18	6,278.69	5,542.55	4,848.52	4,348.63	3,671.03	3,354.17
SHAREHOLDERS' FUND	16,598.94	12,481.18	7,378.69	6,642.55	5,948.52	5,448.63	4,771.03	4,454.17
Non-Current Liabilities	4,835.73	3,053.34	1,224.04	1,338.40	1,239.27	1,249.70	1,327.70	1,524.10
Current Liabilities	22,629.00	17,125.19	12,057.74	12,658.63	13,079.33	14,351.01	11,235.27	9,435.75
Deferred Tax	1,946.66	1,177.50	302.09	341.88	395.72	405.26	427.49	382.20
TOTAL CAPITAL EMPLOYED	46,010.33	33,837.21	20,962.56	20,981.46	20,662.84	21,454.60	17,761.49	15,796.22
C. Equity Share Data:								
Earning per share (₹)	12.05	9.95	4.25	4.46	3.15	3.95	2.31	4.31
Book value (₹)	75.45	56.73	33.54	30.19	27.04	24.77	21.69	20.25
Final/Interim Dividend (%)	25.00	25.00	15.00	20.00	15.00	15.00	15.00	20.00
Number of Shares (in lakhs)	220.00	220.00	220.00	220.00	220.00	220.00	220.00	220.00

* The financial results summary for financial years 2017-18 and 2016-17 are prepared in accordance with Ind-AS and financial results for other financial years are prepared as per the prevailing Indian GAAP.

Managing Director's perspective



Dear Shareholders,

I am very happy to present the 26th Annual Report 2017-18 of Ram Ratna Wires Limited. The year came with major challenges – the post demonetization slowdown, teething troubles of GST migration and rising Copper Cost. The year 2017-18 started slowly with retailer offtake in May-June being curtailed due to GST implementation from 1st July, 2017. However economic growth picked up during the year with consumption- related indicators and industrial output improving in the later half of the year.

Your Company worked diligently to mitigate the headwinds of the year and has come out well ahead, setting a strong foundation to shape a great future in the years to come. Through concerted efforts, Company improved its delivery on all important performance metrics – volume share, margins and market share.

Below is the financial performance of the Company :

(₹ in lakhs)

Particulars	2017-18	2016-17
Gross Sales	1,05,287	89,019
EBDITA	6,567	5,266

Figure above clearly shows the breakthrough performance with 18.27% increase in sales over previous year alongwith increase in EBDITA to Sales ratio from 5.92% (previous year ratio) to 6.24% (current year ratio). We are positive about our ability to grow the Company profitably. The Company generated a significant amount of cash, strengthened its balance sheet and continues to return strong value to its shareholders in alignment to its mission.

The Company has acquired 60% stake w.e.f. 1st April, 2017 in Global Copper Private Limited (GCPL) having manufacturing facility at Vadodara for a consideration of ₹ 980 lakhs. GCPL business operations are into manufacturing of Level Wound Coil (LWC), Copper Tubes and Pancake Copper Tubes. Gross Sales Turnover of GCPL during FY 2017-18 was ₹ 11,194 lakhs with Profit before Tax of ₹ 180 lakhs.

The Company is in the midst of its largest manufacturing capacity expansion at Silvassa. The expansion would give the Company the ability to manufacture copper wire at the lowest cost and ensure we have sufficient capacity to meet future needs. The current expansion also includes new product lines having higher margins thereby increasing the overall profitability of the company in the times to come.

All in all, 2017-18 was a good year in spite of economic uncertainty.

Our country is passing through challenging but exciting times. With a stable central government and a visionary Prime Minister, India is poised to grow like never before.

There is tremendous emphasis on rural housing, railway modernisation, renewable energy and creation of smart cities. None of this will be possible without huge electrification. The consumption of Enamelled wires, Strips, Paper covered strips, Pure electrolytic conductors will increase substantially in the next decade. Globalisation and Digitalisation has led to an all-round increase in awareness of the need to use pure, safe and correct electrical materials/equipment. There has been a significant shift in consumer preference, who now realises the importance of quality. This is tilting the balance in favour of the organised sector like never before. It is here your company looks to reap rich dividends. As one of the frontline players with well-placed expansion plans we are ready to meet the requirements of the New India- both in terms of Quality and quantity. Going forward, we are confident of delivering on our vision of becoming India's most exciting and inspirational winding wire brand and business.

I am immensely proud to share that the pioneer of RR Global, Mr. Rameshwarlal Kabra has been honoured with the prestigious Padma Shri Award for his significant contribution in the field of Trade & Industry. This recognition motivates us to keep up our good work.

I would like to thank our Board of Directors whose support, experience and foresight is helping us grow profitably while sustaining the respect of all stakeholders. I am also very grateful to the leadership team and all employees for all what has been accomplished during the year. I remain grateful to all shareholders for the trust and unstinted confidence in our capabilities. I recommit myself and my entire team to continue enhancing our legacy of Dependability.

With warm regards

Thank you and Jai Hind.

Tribhuvanprasad Kabra

Managing Director

DIN – 00091375



Shri Rameshwarlal Kabra, Chairman, RR Global being awarded Padma Shri By Honorable President of India, Shri Ramnath Kovind.

NOTICE

Notice is hereby given that the 26th Annual General Meeting of the Company will be held at Hotel Sunville, 9, Dr. Annie Besant Road, Worli, Mumbai-400 018 on Saturday, 15th September, 2018 at 11:30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - a. the Audited Financial Statements of the Company for the financial year ended 31st March, 2018, together with the Reports of the Board of Directors and Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2018, together with the Report of the Auditors thereon.
2. To declare a dividend on Equity Shares for the financial year ended 31st March, 2018.
3. To appoint a Director in place of Shri Satyanarayan Loya (DIN 00091323), who retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

SPECIAL BUSINESS

4. To re-appoint Shri Mahendrakumar Kabra as Joint Managing Director of the Company and in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee of the Board, Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, (“Act”), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time the members of the Company hereby accord its approval for the re-appointment of Shri Mahendrakumar Kabra (holding DIN: 00473310) as Joint Managing Director of the Company for a further period of 3 years with effect from 1st June, 2018 to 31st May, 2021 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Shri Mahendrakumar Kabra.

RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to the Joint Managing Director shall be governed by Section II of Part II of Schedule V to the Companies Act, 2013 or any statutory modification thereof and the same shall be treated as the Minimum Remuneration payable to the said Joint Managing Director.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

5. To appoint Shri Hemant Kabra as a Director of the Company and in this regard, to consider and, if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules and regulations, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Hemant Kabra (DIN 01812586) who was appointed as an Additional Director of the Company with effect from 12th December, 2017 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and who would vacate his office at the ensuing Annual General Meeting, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company, liable to retire by rotation.”

6. To appoint Shri Hemant Kabra as Executive Director and Chief Financial Officer (ED & CFO) of the Company and in this regard, to pass the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, (“Act”), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Company hereby approves the appointment and terms of remuneration of Shri Hemant Kabra (DIN 01812586), as the Executive Director and Chief Financial Officer of the Company for a period of three years with effect from 12th December, 2017 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Shri Hemant Kabra.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

7. To appoint Shri H. S. Upendra Kamath as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT Shri H. S. Upendra Kamath (DIN: 02648119) who was appointed as an Additional Director of the Company with effect from 12th December, 2017 and who holds office upto the date of the ensuing Annual General Meeting under Section 161 of the Companies Act, 2013 (“the Act”) but who is eligible for appointment and in respect of whom the Company received a notice in writing under Section 160(1) of the Act from a Member, proposing his candidature for the office of Director, be and is hereby appointed as the Director of the Company, not liable to retire by rotation.

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) Shri H. S. Upendra Kamath who has submitted a declaration that he meets the criteria for Independence, be and is hereby appointed as the Independent Director of the Company with effect from 12th December, 2017, not liable to retire by rotation, for a term of five consecutive years on the Board and shall be eligible for re-appointment for another term of five consecutive years on passing of a special resolution by the Company.

8. Approval of limits for the Loans, Guarantees and Investment by the Company as per Section 186 of the Companies Act, 2013 and in this regard,

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

“RESOLVED THAT pursuant to the provisions of Section 186 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and Rules made there under (including any statutory modification(s) thereof for the time being in force and as may be enacted from time to time), consent of members be and is hereby accorded to the Board of Directors to (a) give any loan to any body corporate(s) / person(s); (b) give any guarantee or provide security in connection with a loan to any body corporate(s)/person(s); and (c) acquire by way of subscription, purchase or otherwise, securities of any body corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding ₹ 200,00,00,000 (Rupees Two Hundred Crores only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided or to be provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all such acts, deeds and things as may be appropriate and necessary for the purpose of making loans/ investments/ giving guarantees or providing securities on behalf of the Company, from time to time, including authorizing the officials of the Company, to give effect to the foregoing resolution.”

9. To consider and ratify the remuneration payable to M/s. Poddar & Co, Cost Accountants for the financial year ending 31st March, 2019 and in this regard, pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION: