

Twenty Second Annual Report
2009-2010



| FINANCIAL HIGHLIGHTS | | | | | | | |
|----------------------|--|---------|---------|---------|---------|---------|---------|
| Rs. in Crores | | | | | | | |
| S.N. | Year | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 | 2004-05 |
| 1 | Sales | 158.92 | 161.49 | 120.88 | 109.25 | 113.07 | 103.74 |
| 2 | Gross Profit (Before Depreciation And Tax) | 17.13 | 11.85 | 4.76 | 7.83 | 10.97 | 8.90 |
| 3 | Depreciation | 3.13 | 3.05 | 2.92 | 2.75 | 2.27 | 1.71 |
| 4 | Profit Before Taxation | 14.00 | 8.80 | 1.83 | 5.07 | 8.70 | 7.19 |
| 5 | Current Taxation | 4.93 | 2.97 | 0.21 | 0.65 | 1.54 | 0.58 |
| 6 | Deferred Taxation | 0.03 | 0.09 | 0.41 | 1.04 | 1.16 | 2.05 |
| 7 | Fringe Benefit Tax | 0.00 | 0.02 | 0.02 | 0.03 | 0.04 | 0.00 |
| 8 | Profit After Taxation | 9.09 | 5.73 | 1.24 | 3.29 | 5.96 | 4.56 |
| 9 | Dividend | 0.65 | 0.43 | 0.43 | 0.43 | 0.87 | 0.78 |
| 10 | Gross Fixed Assets | 64.23 | 61.48 | 60.97 | 59.32 | 52.47 | 44.19 |
| 11 | Net Fixed Assets | 43.96 | 44.09 | 46.38 | 47.23 | 42.43 | 36.37 |
| 12 | Investments | 17.84 | 16.93 | 14.56 | 5.65 | 0.20 | 0.00 |
| 13 | Net Current Assets /(Liabilities) | 44.27 | 39.39 | 35.38 | 35.78 | 26.51 | 27.85 |
| 14 | Net Assets | 106.07 | 100.40 | 96.33 | 88.66 | 69.14 | 64.22 |
| 15 | Share Capital | 4.35 | 4.35 | 4.35 | 4.35 | 4.35 | 4.35 |
| 16 | Reserves & Surplus | 46.91 | 38.58 | 33.36 | 32.63 | 29.85 | 24.88 |
| 17 | Net Worth | 51.26 | 42.93 | 37.71 | 36.98 | 34.20 | 29.23 |
| 18 | Loan Funds | 46.41 | 49.10 | 50.37 | 43.88 | 28.22 | 29.55 |
| 19 | Deferred Tax Liability | 8.39 | 8.36 | 8.26 | 7.85 | 6.81 | 5.65 |
| 20 | Earning Per Share | 20.89 | 13.16 | 2.85 | 7.57 | 13.70 | 12.17 |
| 21 | Dividend Per Share | 1.50 | 1.00 | 1.00 | 1.00 | 2.00 | 1.80 |
| 22 | Book Value Per Share | 117.80 | 98.66 | 86.65 | 85.00 | 78.62 | 67.20 |

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RAJRATAN GLOBAL WIRE LTD.**RAJRATAN THAI WIRE CO., LTD.****BOARD OF DIRECTORS**

| | | | |
|--------------------------|----------------------------|---------------------|-------------------|
| Mr. Chandanmal Chordia* | Chairman | Mr. Sunil Chordia | Director |
| Mr. Mofatraj Munot | Director | Mr. P.D. Nagar | Director |
| Mr. S.S. Mehta | Director | Mr. Abhishek Dalmia | Director |
| Mr. P.D. Nagar | Director | Mr. Ghanshyam Rathi | C.O.O. & Director |
| Mr. Abhishek Dalmia | Director | | |
| Mr. Chandrashekhar Bobra | Director | | |
| Mrs. Sangita Chordia** | Director | | |
| Mr. Sunil Chordia | Managing Director | | |
| Mr. Deepesh Trivedi | C.O.O & Executive Director | | |

*Resigned on 5th May, 2010

**Appointed on 5th May, 2010

COMPANY SECRETARY

Mr. Vineet Chopra

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
Siyak Asoke Branch, Bangkok Thailand

AUDITORS

M/s. Fadnis & Gupte
Chartered Accountants, Indore

Mr. Phichat Phruksarojanakun
BI, Auditing Group Co., Ltd. Thailand

REGISTRAR & SHARE TRANSFER AGENT

M/s. Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L B S Marg
Mumbai – 400078 Ph: 022-25946970

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

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of the Members of the Company will be held on Wednesday, the 4th day of August, 2010 at 1.00 p.m. at the registered office 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 2010 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. Chandrashekar Bobra, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. P.D. Nagar, 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. Revision of Remuneration of Mr. Sunil Chordia, 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 partial modification of Resolution no. 6 passed at the Annual General Meeting of the Company held on 21st July 2009 and pursuant to 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, the Managing Director of the Company w.e.f. 1st April 2010 for the remaining tenure of his appointment as under:

- a) Basic Salary: Rs. Two Lac Seventy Thousand per month.
- b) House Rent Allowance: Rs. Seventy One Thousand Five Hundred per month.
- c) Leave Travel Allowance: Reimbursement once in a year subject to maximum of Rs. Two Lac Sixteen Thousand.
- d) Medical Allowance (for self & family): Reimbursement once in a year subject to maximum of Rs. Two Lac Sixteen 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.”

7. Re-appointment of Mr. Deepesh Trivedi as the Executive Director

To consider and if thought fit to pass with or without modification(s), if any, the following resolution as **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 re-appointment of Mr. Deepesh Trivedi as the Executive Director of the Company for a period of 3 years with effect from January 21, 2011 on the terms and conditions set out in the 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 between the Board and Mr. Deepesh Trivedi.

8. Revision of Remuneration of Mr. Deepesh Trivedi, the Executive 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 partial modification of Resolution no. 7 passed at the Annual General Meeting of the Company held on 21st July 2009 and pursuant to the 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 the approval of members and such approvals as may be necessary, approval of the Board be and is hereby accorded for the revision and increase in remuneration of Mr. Deepesh Trivedi, the Executive Director of the Company w.e.f. 1st April 2010 for the remaining tenure of his appointment as under.

- a) Basic Salary: Rs. One lac Twenty Thousand per month.
- b) House Rent Allowance: Rs. Forty Three Thousand per month.
- c) Conveyance Allowance: Rs. Twenty Thousand per month.
- d) Restructuring Allowance: Rs. Forty Thousand per month.
- e) Leave Travel Allowance: Reimbursement once in a year not exceeding Rs. Seventy Two Thousand per annum.
- f) Medical Reimbursement not exceeding Rs. Thirty Two Thousand Four Hundred per annum.
- g) Performance Award: As per rules of the Company subject to maximum 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

9. Appointment of Mrs. Sangita Chordia as Director

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

“**RESOLVED THAT** Mrs. Sangita Chordia who was appointed by the Board as an additional director to hold office upto the date of 22nd Annual General Meeting, being eligible for appointment and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 proposing her candidature for the office of Director, be and is hereby appointed as a Director liable to retire by rotation.”

Indore
Dated: 5th May 2010

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 to 9 is annexed hereto.
3. The Register of Members and the share transfer book of the Company will remain closed from the 15th July 2010 to 24th July 2010 (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 4th August, 2010.
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. Link Intime India Pvt. Ltd., 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 Pvt. Ltd., 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 2003-04 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 is of the view that having regard to the whole time devotion of Mr. Sunil Chordia, the Managing Director towards the Company his remuneration should be revised to increase sufficiently.

The existing remuneration of Mr. Sunil Chordia was sanctioned by the members, at the Annual General Meeting held on 21st July, 2009 which is proposed to be increased from Rs. 2,00,000/- p.m. (other than perks and allowances) to Rs. 2,70,000/- p.m. (other than perks and allowances).

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 meetings held on 28th April 2010 and 5th May 2010 respectively. In terms of the provisions of the Companies Act, 1956, approval of the members is being sought to revise and increase the remuneration by way of **SPECIAL RESOLUTION**.

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

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

ITEM NO. 7 & 8

The Board of Directors of the Company at its meeting held on 5th May, 2010 re-appointed Mr. Deepesh Trivedi as the Executive Director for a period of three years w.e.f. 21st January, 2011 to 20th January, 2014 subject to the approval of members in Annual General Meeting.

The proposed revised terms of re-appointment of Mr. Deepesh Trivedi were considered and approved by the Remuneration Committee and Board as per the details furnished in relevant resolution.

Mr. Deepesh Trivedi, a Mechanical Engineer had joined the Company as Chief Operating Officer of the Company in March 2006 and looking to his knowledge and rich experience in Auto, Engineering and Process Industries he was appointed as the Executive Director in the Annual General Meeting held on 20th September 2008 for the period of 3 years effective from 21st January 2008.

In view of his wide experience and whole time devotion, the Board in its meeting held on 5th May 2010 has recommended re-appointment of Mr. Deepesh Trivedi as the Executive Director.

Existing remuneration of Mr. Deepesh Trivedi is Rs. 90,000/- p.m. (other than perks and allowances) is proposed to be increased to Rs.1,20,000/- p.m. (other than perks and allowances)

In terms of provisions of section 198, 269, 309, 310 and Schedule XIII to the Companies Act, 1956 the approval of the members is being sought to confirm re-appointment & revision in remuneration of Mr. Deepesh Trivedi as set out in the resolutions. He is not related to any of the directors of the Company.

Directors recommend passing of the resolutions as **SPECIAL RESOLUTIONS**.

None of the Director other than Mr. Deepesh Trivedi 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. 9

Mrs. Sangita Chordia was appointed as an additional director by the Board w. e. f. 5th May 2010 to hold office upto the date of 22nd Annual General Meeting in accordance with the provisions of Section 260 of the Companies Act, 1956. The Company has received a notice in writing from a shareholder proposing her appointment as a Director liable to retire by rotation in accordance with the provisions of Section 257 of the Companies Act, 1956. Mrs. Sangita Chordia is wife of Mr. Sunil Chordia.

Approval of the members is being sought to appoint Mrs. Sangita Chordia as a Director liable to retire by rotation by way of **ORDINARY RESOLUTION**.

None of the Director other than Mr. Sunil Chordia and Mrs. Sangita Chordia is concerned or interested in this resolution.

Indore

Dated: 5th May 2010

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, 7 and 9

| S.No. | Name & Designation of appointee | Qualifications | Age in years | Experience in Yrs. | Date of Appointment | Other Directorships (excluding Private & Foreign Companies) |
|-------|---------------------------------|------------------|--------------|--------------------|---------------------|---|
| 1. | Mr. Chandrashekhar Bobra | B.Com., M.B.A. | 53 | 31 | 11.06.2005 | NIL |
| 2. | Mr. P.D. Nagar | B.Com., LLB, FCA | 65 | 42 | 10.07.2003 | 1. Anik Industries Limited 2. MPSE Securities Limited |
| 3. | Mr. Deepesh Trivedi | BE (Mech.) | 55 | 30 | 21.01.2008 | NIL |
| 4. | Mrs. Sangita Chordia | B.Com. | 45 | 15 | 05.05.2010 | Rajratan Investments Limited |

Shareholding details -

Mr. Chandrashekhar Bobra and Mr. Deepesh Trivedi are not holding any share in the Company.

Mr. P.D. Nagar holds 1500 equity shares of the Company

Mrs. Sangita Chordia holds 5,58100 equity shares of the Company

DIRECTORS' REPORT

To
The Members,
The Directors hereby present their Twenty Second 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, 2010.

FINANCIAL RESULTS:

| | (Rs. In Lacs) | |
|---|----------------|----------------|
| | <u>2009-10</u> | <u>2008-09</u> |
| Profit before Depreciation, Interest and Tax | 2202.13 | 1866.15 |
| Interest and Financial Charges | 488.40 | 680.71 |
| Profit before Depreciation | 1713.73 | 1185.44 |
| Less: Depreciation | 312.86 | 304.97 |
| Profit before Taxation | 1400.87 | 880.47 |
| Less: Provision for Taxation | | |
| - Current Tax | 493.43 | 299.10 |
| - Deferred Tax | 3.10 | 9.55 |
| Prior Period Expenditure/(Income) | (4.84) | (0.86) |
| Profit After Tax | 909.18 | 572.68 |
| Add: Surplus of Previous Year | 103.47 | 81.71 |
| Amount available for appropriation | 1012.65 | 654.39 |
| APPROPRIATION | | |
| Proposed Dividend | 65.28 | 43.52 |
| Dividend Tax | 11.09 | 7.39 |
| Transfer to General Reserve | 500.00 | 500.00 |
| Balance carried to Balance Sheet | 436.29 | 103.48 |

PERFORMANCE HIGHLIGHTS:

This was a landmark year for the Company for its operating performance with earning growth amidst extra ordinary challenges of price volatility of raw material and demand reduction in the beginning of the financial year. Your Company has registered sales volume of 28,964 MT as compared to 25,831 MT having growth by over 12% though net sales were Rs. 148 Crore as against Rs. 145 Crore of previous year. During the period, demand remained better and the Company recorded increase of 18% in PBIDTA over previous year due to improved operating efficiencies and major savings in financial cost. This has resulted in a healthy increase of 59% in PBT over previous year i.e. Rs. 14.01 Crore against Rs. 8.80 Crore in previous year.

PROSPECTS AND OUTLOOK:

The Indian economy has been on growth track so far. With the domestic demand rebounding, indications of increasing investments / expansion plans in tyre business, growth in the Company's business is anticipated by 20% in the year 2010-11. In order to tap this growth, the Company is working on a productivity improvement project, increasing operational efficiencies, adding few machines & modernization of equipments. Steel price have been volatile in the previous year and is still continuing. However, with the supply situation now improving, prices are expected to get stabilized soon.

SUBSIDIARY COMPANY:

Global economy had witnessed the worst economic recession in 2008-09 that affected across all sectors. This was the time when Rajratan Thai Wire Co. Limited, Thailand (RTWL), had entered the market and consequently, witnessed the losses. Global market remained affected from recession during first half of 2009-10, however, second half shown signs of improvement. During the period under review RTWL registered sales volume of 9267 MT as compared to 2791 MT previous year. Net Sales stood at Rs. 36.40 Crores as compared to Rs. 14.43 Crores previous year. Net loss was considerably reduced to Rs. 2.62 Crores as compared to Rs. 6.13 Crores previous year. The Company is now in a turnaround

phase. It is in process to obtain ISO-TS certification and planned to increase the capacity from 12000 MT to 24000 MT p.a. RTWL is also hopeful to get approvals of the samples from major tyre companies that will significantly improve the performance.

DIVIDEND:

Your Directors are pleased to recommend a dividend @ 15% i.e. Rs. 1.50 per equity share of Rs.10/- each (previous year Rs.1.00 per share) for the year ended 31st March, 2010. The dividend will be declared in the ensuing Annual General Meeting based on approval by the Shareholders.

DIRECTORS:

Mr. Chandanmal Chordia resigned from the office of the Chairman and Director with effect from 5th May 2010. The Board places on record its deep sense of appreciation for the invaluable contribution made by Mr. Chandanmal Chordia during his tenure as the Chairman and Director of the Company.

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Mr. Chandrashekhar Bobra and Mr. P.D Nagar retire by rotation and are eligible for re-appointment.

Mrs. Sangita Chordia was appointed as the Additional Director of the Company effective from 5th May 2010 till the conclusion of the ensuing Annual General Meeting and is recommended to be appointed as a director liable to retire by rotation in the ensuing Annual General Meeting.

Mr. Deepesh Trivedi was appointed as the Executive Director of the Company for a period of three years effective from 21st January 2008 and his tenure of appointment expires on 20th January 2011. In view of the contribution made by him for the progress of the Company it is proposed to reappoint him as Executive Director for a further period of 3 years effective from 21st January 2011.

AUDITORS:

M/s. Fadnis & Gupte, Chartered Accountants, Indore, the Statutory Auditors, are retiring at the conclusion of twenty second 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 2010.

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 (including Allowances) |
|-------------------|-------------|-----|---------------|-----------------|------------------|------------|--|
| Mr. Sunil Chordia | M.D. | 47 | -- | 09.09.1988 | B.Sc, DCMA, M.BA | 25 | 3500000/- |

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, 2010.
- 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.

Place: Indore
Dated: 05th May 2010

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 2009-10.

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

| Power and Fuel Consumed | <u>2009-2010</u> | <u>2008-09</u> |
|--|-------------------------|-----------------------|
| 1. ELECTRICITY: | | |
| (a) Unit Consumed: (KWH) | | |
| Purchased from MPEB | 12571640 | 11055306 |
| Generation through Wind Mill (Transfer to Grid) | 2732648 | 2733085 |
| Total Units | 15304288 | 13788391 |
| Total Amount | 67316417 | 62259402 |
| Rate/Unit | 4.40 | 4.52 |
| 2. L.P.G/PROPANE/RLNG | | |
| Quantity (Kgs) | 1705168 | 1465097 |
| Total Amount | 35538185 | 26959688 |
| Average Rate (Per Kg) | 20.84 | 18.40 |
| 3. DIESEL/SKO/LDO: | | |
| Quantity (Ltrs) | 8600 | 9075 |
| Total Amount | 303274 | 343990 |
| Average Rate | 35.26 | 37.91 |
| Consumption per Unit of production | | |
| Electricity (Units) | 524 | 539 |
| L.P.G/RLNG (Kgs) | 58 | 57 |

The Company has incurred the following expenses in foreign currency:

- On foreign travels Rs.4,13,531 (Rs.2,94,662), for purchase of journals & periodicals NIL (Rs.5,708), on Advertisement Rs.72,709 (Rs.96,098), on capital goods Rs. 16,37,272 (14,45,524), on import of raw material in foreign exchange during the year Rs.12,58,13,935 (Rs.12,37,36,479/-), Testing Fees Rs. 23,614 (14,154/-), Technical Consultancy Rs. 50,809 (NIL).
- The F.O.B. value of exports (including deemed F.O.B. Value) during the year was Rs. 9,89,39,569 (15,12,75,139/-)
- Remittance in Foreign Currency: Investment in Rajratan Thai Wire Co. Ltd. Rs. 94,29,913 (2,33,33,183/-), share application money Rajratan Thai Wire Co. Ltd. NIL (Rs. 2,88,167/-), Loan to Rajratan Thai Wire Co. Ltd. 1,92,63,754 (NIL).

**B. TECHNOLOGY ABSORPTION:
RESEARCH AND DEVELOPMENT (R&D):**

1. Specific areas in which R & D activities carried out by the company were:

- Studies were made and subsequently the cleaning and rinsing capabilities were enhanced by way of
 - 1] Installing on line skimmers in the electro cleaner in coating line. To take away the muck and froth.
 - 2] Installing the in-line settling system in hot water wash, thereby continuously making the bath cleaner in coating line.
 - 3] Metering pumps have been modified to give uniform flow rate.
 - 4] On line mixing of the Borax in the patenting line.

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

- Enhanced adhesion properties giving a competitive edge to the Product more uniformly distributed Borax coating on patented wire to improve drawability and surface topography

- Process Capability improvement.

3. Future plans of action: to recycle the process water through a cleaning and separating system.

- 4.** To set up in-house die cutting and finishing facilities so as to use the pressure die system more cost-efficient.

5. Expenditure on R&D:

| | |
|-------------------------------------|------------|
| - Capital | NIL |
| - Recurring | 1,68,050/- |
| - Total | 1,68,050/- |
| - Total R & D Expenditure | 0.011 |
| (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 high grade auto-control cable wires for OEM applications.

b. Process Development

- Direct heating of Borax baths using PLC based LNG burner.

c. Power Management

2. Benefits derived as a result of above efforts:

- a. Widening of Customer and Product base - Launching a new product segment.
- b. Savings of undesirable and unutilized expenditure in indirect heating systems

Indore
Dated: 05th May 2010

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'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company reaffirms its commitment to the good corporate governance practices. 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 comprises of a fair number of independent, professionally competent and acclaimed non-executive Directors

Constitution of the Board as on 31st March, 2010 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 | 0 | NO | NIL |
| Mr. Sunil Chordia | Managing Director | 5 | YES | 1 |
| Mr. P.D. Nagar | Non Executive & Independent | 5 | YES | 2 |
| Mr. S. S. Mehta | Non Executive & Independent | 4 | YES | 2 |
| Mr. Mofatraj Munot | Non Executive & Independent | 0 | NO | 3 |
| Mr. Abhishek Dalmia | Non Executive | 3 | YES | 7 |
| Mr. Chandrashekhar Bobra | Non Executive & Independent | 4 | YES | NIL |
| Mr. Deepesh Trivedi | Executive Director | 5 | 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

Five Board Meetings were held during the year 2009-10 on 6th May 2009, 29th May 2009, 21st July 2009, 21st October 2009, and 23rd January 2010.

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.
- viii. To consider appointment/reappointment/replacement of statutory auditor and fixation of audit fee and fee for any other services rendered by statutory auditor.

(b) Composition, names of members and chairperson

| S.No. | Name | Category |
|-------|------------------------------------|----------------------------|
| 1. | Mr. Chandrashekhar Bobra, Chairman | Independent, Non-Executive |
| 2. | Mr. S. S. Mehta | Independent, Non-Executive |
| 3. | Mr. P. D. Nagar | Independent, Non-Executive |

The Internal Auditors of the Company and the Managing Director are invitees to the meetings and the Company Secretary is the Secretary to the Committee.

(c) Meetings and attendance during the year

Four meetings were held during the financial year 2009-2010. The attendance of each member of the committee is as under:

| Name of Director | No. of Meetings attended |
|--------------------------|--------------------------|
| Mr. Chandrashekhar Bobra | 4 |
| Mr. S. S. Mehta | 0 |
| Mr. P. D. Nagar | 4 |

4. REMUNERATION COMMITTEE

a. Terms of Reference

The Remuneration Committee recommends remunerations, promotions, increments etc. for the Managing Director and Executive Directors to the Board for approval.

b. Composition, names of members and chairperson

| S.No. | Name | Category |
|-------|---------------------------|----------------------------|
| 1. | Mr. P. D. Nagar, Chairman | Independent, Non-Executive |
| 2. | Mr. S. S. Mehta | Independent, Non-Executive |
| 3. | Mr. Mofatraj Munot | Independent, Non-Executive |

One meeting was held during the year 2009-10

The Non-Executive Directors do not draw any remuneration from the Company except sitting fees, which is paid at the rate of Rs. 2,500/- for each meeting of the Board and the Audit Committee. The details of remuneration paid to the executive directors are as under:

| S.No. | Name and Designation | Tenure of appointment | Remuneration | Perquisites & Allowances |
|-------|---|--------------------------|--------------|--------------------------|
| 1. | Mr. Sunil Chordia - Managing Director | 01.04.2009 to 31.03.2012 | 24,00,000/- | 11,00,000/- |
| 2. | Mr. Deepesh Trivedi - C.O.O. & Executive Director | 21.01.2008 to 20.01.2011 | 10,80,000/- | 12,78,895/- |

Note: The Company has not issued any stock options to any of the directors. Severance fees-The contract may be terminated by either party giving the other party three month's notice or the Company paying three month's salary in lieu thereof. In addition to above remuneration, contribution towards Gratuity is being made as per the rules.

5. SHARE TRANSFER & SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

(a) Terms of reference

The Company's shares continue to be listed on in the 'B' Group on the Bombay Stock Exchange Limited and the trading in the equity shares of the Company is mandatory in dematerialized form. In accordance with Clause 49 of the Listing Agreement a Shareholders/ Investors Grievance Committee has been constituted by the Board for the redressal of shareholder and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

(b) Composition, names of members and chairperson as on 31st March 2010

| S.No. | Name | Category |
|-------|---------------------------|----------------------------|
| 1. | Mr. S. S. Mehta, Chairman | Independent, Non Executive |
| 2. | Mr. P. D. Nagar | Independent, Non Executive |
| 3. | Mr. Chandanmal Chordia | Chairman of the Company |

(c) Name and Designation of Compliance Officer: Mr. Vineet Chopra, Company Secretary

(d) Status of the Investors / Shareholders Complaints:

- (i) No. of complaints received during the year : 4
 (ii) No. of complaints resolved during the year : 4
 (iii) No. of complaints pending at the end of the year : NIL

The Company has authorized to implement transfer, transmission and D-mat of shares to the Share transfer Agent and to resolve the related problems as professional agency. The Committee meets only on specific nature of complaints not resolved within a period of 21 days from the date of its receipts.

The Company has paid the listing fees to the Stock Exchange.

6. GENERAL BODY MEETING

Information about last three Annual General Meetings:

| S.No. | Year | Date | Time | Venue |
|-------|------|------------|------------|---|
| 1. | 2007 | 21st Sept. | 10.00 a.m. | "Rajratan House", 11/2, Meera Path, Dhenu Market, Indore-3, M.P. |
| 2. | 2008 | 20th Sept. | 10.00 a.m. | |
| 3. | 2009 | 21st July | 01.00 p.m. | |

No Special Resolutions were put through postal ballot during the last year and at the forthcoming Annual General Meeting there is no item on the agenda that needs approval by Postal Ballot.

Two special resolutions at the Annual General Meeting held on 21st September, 2007, three special resolution was passed at the Annual General Meeting held on 20th September, 2008 and two special resolution was passed at the Annual General Meeting held on 21st July 2009.

There is no non-compliance by the Company nor any penalties or strictures imposed on the Company by Stock Exchanges, SEBI or any other statutory authority on any matter related to Capital Markets during the last three years.

7. DISCLOSURES

There were no transactions of a materially significant nature with the Promoters, the Directors or the Management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large.

Transaction with related parties as per requirement of Accounting Standard (AS- 18) issued by Institute of Chartered Accountants of India are disclosed in Note no. 19 in the Annual Report.

There has been no instance of non-compliance, penalties or strictures on any matter relating to the capital market and listing.

8. MEANS OF COMMUNICATIONS

The Quarterly, Half Yearly and Annual Financial results are faxed to the Stock Exchanges at Mumbai in the prescribed format within 15 minutes of the conclusion of the Board Meeting at which the results are taken on record. The Quarterly Financial Results of the Company are also published in the Economic Times (Mumbai) and Nai Duniya (Indore). A report on the Limited Review of the financial results for all the Quarters were obtained from the Auditors of the Company and filed with the Stock Exchanges. Annual Report is circulated to members and others entitled thereto. However, there is no provision for dispatching Half Yearly Unaudited Financial Results to the Shareholders as the results are published in newspapers and posted on the website of the Company.

9. CEO/CFO CERTIFICATION

As per clause 49 of the listing agreement the Certificate from Mr. Sunil Chordia, the Managing Director and Vineet Chopra, Head (Finance and Accounts) was placed before the Board of Directors at their meetings.

10. MANAGEMENT DISCUSSION AND ANALYSIS:

1. Industry Structure and Developments

The core business of the Company is manufacturing and supply of bead wire. Bead wire market consists of three major players of which the Company has been the second largest. Growth of automobile industry, tyre business and government spending on infrastructure are the key growth drivers for the Company.

2. Opportunities and Threats

In recent past, global economy witnessed the worst economic recession that affected across all sectors, collapse of big financial organization; etc, nevertheless, Indian economy not only withstand these shocks but emerged as a strong and growing economy. Relying upon the good domestic demand, expansions plans on the card by big tyre manufactures, infrastructure spending by the government, another year of better performance in 2010-11 is anticipated. The Company is well poised to capture growing demand of bead wire. At the same time, we will continue our key focus areas as quality assurance and customer satisfaction.

3. Risks and Concerns

Any downtrend in automobile and tyre industry will impact the Company's business. Macro economic factors like GDP growth, inflation, interest rates, currency changes and fiscal policies also have a bearing on any business and consequently, on the Company. So far, the Company has not been affected significantly by these factors.

4. Internal Control System

The Company has proper and adequate systems of internal controls in order to ensure that all assets are safeguarded against loss from unauthorized use or disposition and that all transactions are authorized, recorded correctly. The Company has an Audit Committee headed by a non-executive independent director to review various areas of the control system. The independent internal audit department carries out regular reviews scanning all locations and functions to ensure that adequate control and systems are in place. The internal audit verifies the information concerning the efficiency and effectiveness of the operation and reliability and accuracy of the financial statements as well as compliance with the Company policies to maintain accountability of assets and authenticity and correctness of the recorded transaction. The scope, coverage, issues and updates are shared by internal audit at appropriate management levels and audit committee for corrective action and the progress is monitored through follow up.

5. Human Resource Development

At Rajratan, our vision drives our ambitions and our people define our business excellence. During the year under review, our focus on developing leadership capability in the organization continued with a number of training initiatives being undertaken. Several training programs were conducted during the year, which greatly benefitted the employee's. The Company continues to empower its people and provide a stimulating professional environment to its staff in their respective discipline. The Company also strives to create a work culture environment conducive to its employees leading to higher productivity levels.

6. Cautionary Statement

Statements made in this report in describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized by the Company Actual results could differ materially from those expressed in the statements or implied due to the influence of external and internal factors which are beyond the control of the Company.

The Company assumes no responsibility to publically amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

11. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

| DATE | DAY | TIME | VENUE |
|------------------|-----------|-----------|---|
| 4th August, 2010 | Wednesday | 1.00 P.M. | "Rajratan House" 11/2, Meera Path, Dhenu Market, Indore-3, M.P. |

Financial Calendar: 1st April to 31st March

Quarterly Results:

First Quarter - Third Week of July 2010
 Second Quarter - Third Week of October 2010
 Third Quarter - Third Week of January 2011
 Audited results - Third Week of April 2011

Book Closure / Record Date:

The Register of Members and Share Transfer Register will remain closed 15th July 2010 to the 24th July, 2010 (both days inclusive) to determine the members entitled to the dividend for 2009-10.

Dividend Payment date: On and from 4th August, 2010

Stock Exchange Where Company's shares are listed:

1. Mumbai
The Bombay Exchange Limited,
P. J. Towers, Dalal Street,
MUMBAI – 400 001

ISIN No. : INE451D01011

Scrip Code : 517522 (BSE)

Plant Location: 200 A & B, Sector I, Pithampur, Dist. Dhar, M. P.

12. SHARE TRANSFER SYSTEM

All physical share transfers are affected within 30 days of lodgment, subject to the documents being in order. The Share Transfer Committee meets as and when required.

1. Distribution of shareholding as at 31st March 2010:

| Shareholding of Nominal Value of Rs. | No. of Shareholders | % of Shareholders | Amount of Share Capital in Rs. | % of Shareholding |
|--------------------------------------|---------------------|-------------------|--------------------------------|-------------------|
| Upto 2500 | 1377 | 80.0581 | 1368980 | 3.1458 |
| 2501 - 5000 | 125 | 7.2674 | 500090 | 1.1492 |
| 5,001 - 10,000 | 73 | 4.2442 | 606700 | 1.3941 |
| 10,001 - 20,000 | 50 | 2.9070 | 749760 | 1.7229 |
| 20,001 - 30,000 | 19 | 1.1047 | 504960 | 1.1603 |
| 30,001 - 40,000 | 10 | 0.5814 | 337120 | 0.7747 |
| 40,001 - 50,000 | 3 | 0.1744 | 136500 | 0.3137 |
| 50,001 - 1,00,000 | 27 | 1.5698 | 1859380 | 4.2727 |
| 1,00,001 & Above | 36 | 2.0930 | 37454510 | 86.0666 |
| Total | 1720 | 100.00 | 43518000 | 100.00 |

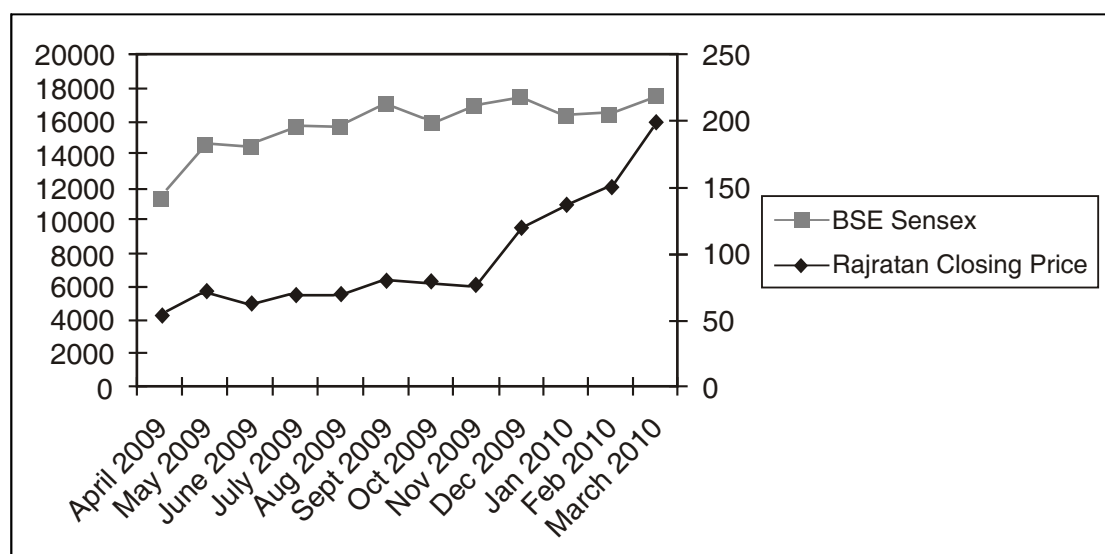
2. Distribution of Shareholding according to the categories of shareholders as on 31st March 2010

| Categories | No. of Shares | Amount in Rs. | % to Total |
|---------------------------------|----------------|-----------------|---------------|
| Promoters | 2710501 | 27105010 | 62.28 |
| Financial Institutions, Banks | 1000 | 10000 | 0.02 |
| Mutual Funds, UTI | Nil | Nil | Nil |
| Foreign Institutional Investors | Nil | Nil | Nil |
| NRIs / OCBs | 2847 | 28470 | 0.07 |
| Other Bodies Corporate | 929729 | 9297290 | 21.36 |
| Public | 707723 | 7077230 | 16.27 |
| Total | 4351800 | 43518000 | 100.00 |

3. Stock Market Price Data: Monthly High and Low prices of Equity Shares of the Company quoted at the Stock Exchange, Mumbai during the year 2009-10

| Month | Price per equity share of face value of Rs. 10/- | | Month | Price per equity share of face value of Rs. 10/- | |
|-----------|--|-------|----------|--|--------|
| | High | Low | | High | Low |
| April | 56.80 | 50.00 | October | 85.00 | 75.05 |
| May | 70.85 | 53.90 | November | 83.10 | 72.70 |
| June | 78.85 | 62.15 | December | 124.95 | 78.30 |
| July | 71.15 | 60.00 | January | 139.90 | 120.00 |
| August | 81.10 | 63.90 | February | 175.00 | 135.50 |
| September | 85.40 | 65.50 | March | 205.00 | 151.00 |

4. Stock Performance index in relation to BSE Sensex:



5. Details of Demat Shares as on 31st March 2010

| | No. of Shareholders | No. of Shares | % of Capital |
|-------------------------|---------------------|----------------|---------------|
| NSDL | 686 | 2015177 | 46.31 |
| CDSL | 322 | 911048 | 20.93 |
| Sub-total | 1008 | 2926225 | 67.24 |
| Shares in physical form | 712 | 1425575 | 32.76 |
| Grand Total | 1720 | 4351800 | 100.00 |

6. Details of use of Public Funds obtained in last three years

No Fund has been raised from the public in the last three years.

13. INVESTOR CORRESPONDENCE:

Shareholders should address their correspondence to the Company’s Registrar & Share Transfer Agents at the address as under:

Mrs. Saili Lad
M/s. Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L B S Marg, Mumbai – 400078 Ph: 022-25946970, 022-25963838
Designated email ID for investor communication: rnt.helpdesk@linkintime.co.in

Shareholders may also contact:

Mr. Vineet Chopra, Company Secretary at the Registered Office of the Company for any assistance.
“Rajratan House”
11/2, Meera Path, Dhenu Market, Indore -3, M. P.
Ph: 0731 - 2546401
Designated email ID for investor communication: investor-cell@rgwl.co.in

Place: Indore
Dated: 05th May 2010

By Order of the Board
SUNIL CHORDIA
MANAGING DIRECTOR

DECLARATION

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company - www.rgwl.co.in

Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended March 31, 2010.

Place: Indore
Date: 05th May 2010

SUNIL CHORDIA
MANAGING DIRECTOR

AUDITOR'S CERTIFICATE

To,
The Members of
Rajratan Global Wire Limited
Indore

We have examined the compliance of conditions of Corporate Governance by M/s Rajratan Global Wire Limited, Indore for the year ended on 31.03.2010, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For and on behalf of
M/s. FADNIS & GUPTE
Chartered Accountants

(C.A. Manoj Fadnis)
Partner
M. No. 072707

Indore- 452001
Dated: 05th May 2010

AUDITOR'S REPORT

To,
The Shareholders of
RAJRATAN GLOBAL WIRE LTD.
INDORE.

We have audited the attached Balance Sheet of M/S RAJRATAN GLOBAL WIRE LIMITED, INDORE as at 31st March, 2010 and Profit & Loss Account of the company for the year ended on that date. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 [as amended by Companies (Auditor's Report) (Amendment Order, 2004)] issued by the Company Law Board in terms of Section 227 (4A) we enclose in the Annexure A Statement on the matters specified in paragraphs 4 & 5 of the said order.
2. Further to our comments in the annexure referred to I paragraph 1 above we wish to report as under:-
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of accounts as required by Law have been kept by the Company so far as appeared from our examination of the books.
 - c. The Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - d. In our opinion, the Balance Sheet and Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards prescribed under sub section (3C) of section 211 of Companies Act, 1956.
 - e. On the basis of declarations obtained and taken on record by the Company from the Directors, we confirm that none of the Director of the company is disqualified from being appointed as a Director of the company under clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with the notes thereon, give a true and fair view :-
 - I. In the case of Balance Sheet of the state of affairs of the company as at 31st March, 2010.
 - II. In the case of the Profit & Loss Account of the profit for the year ended on that date.
 - III. In the case of Cash Flow Statement of the cash flows for the year ended on that date.

FOR FADNIS & GUPTA
Chartered Accountants
(CA. Manoj Fadnis)
Partner
M.No. 072707

INDORE - 452001
DATED - 05th May 2010

ANNEXURE TO THE AUDITOR'S REPORT

(As referred to in paragraph 3 of our report of even date)

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As informed and explained to us, the management, during the year, has physically verified the items of the fixed assets of the company at reasonable interval and no significant discrepancies were noticed on such physical verification.
- (c) As per our information and according to the explanations given to us, no substantial part of the fixed assets has been disposed off by the company during the previous year which could affect it's going concern.
- (ii) (a) As informed and explained to us the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion the procedure of physical verification of inventories followed by the management is adequate having regard to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) (a) The company has not given any secured or unsecured loans to the company, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) As the company has not given any loans the sub-clauses (b), (c) and (d) of clause (iii) of Para 4A of the said order are not applicable to the company.
- (c) The company has taken unsecured loan from the parties covered under section 301 of the Companies Act, 1956. The number of parties are 3 (Three) and the balance outstanding as at Balance Sheet is

Rs. 2,18,24,599/- (Previous Year Rs. 1,04,26,939/-).

- (d) In our opinion and according to the information & explanations given to us, the terms and conditions on which loans have been taken are not prima facie prejudicial to the interest of the company.
- (e) As informed to us no stipulation is fixed for repayment of the loans received. The loan is repayable on demand. In view of the above, no amount is overdue.
- (iv) In our opinion and according to the information and explanations given to us, the internal control systems for the purchases of inventory, fixed assets and for sale of goods and services commensurate with the size of the company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) The transactions which need to be entered into the register maintained u/s. 301 of the Act, have been so entered.
- (b) In our opinion, the transaction exceeding the value of Rs. 5 lacs in respect of any party during the year have been made at prices which are prima facie reasonable, having regard to prevailing market prices at the relevant time where such prices are available.
- (vi) According to the information and explanations given to us the company has not accepted any deposits under section 58A, 58AA or any other relevant provisions of the Companies Act, 1956.
- (vii) In our opinion the Company has an internal audit system commensurating with its size and nature of its business.
- (viii) To the best of our knowledge the Central Government has not prescribed the maintenance of cost records by the company under section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) According to the books of accounts and records as produced and examined by us according to generally accepted auditing practices in India, in our opinion, the company has been regular in depositing undisputed statutory dues. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales Tax, Customs Duty, Excise Duty, Service Tax, Cess and other material statutory dues which have remained outstanding as at 31st March 2010 for a period of more than six months from the date they became applicable.
- (b) According to the books of accounts and records as produced and examined by us in accordance with the generally accepted auditing practices in India, as informed and explained to us, the particulars and dues of Income Tax as 31st March 2010 which have not been deposited on account of dispute are as follows:

| Particulars | Pertaining to Financial Year | Amount (Rs) | Authority where pending |
|-------------|------------------------------|-------------|---------------------------------------|
| Income Tax | 2006-07 | 1,34,891 | Income Tax Appellate Tribunal, Indore |

- (x) There are no accumulated losses of the company at the end of the financial year. The company has neither incurred cash losses during the financial year covered by our audit and nor in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, banks or debenture holders.
- (xii) According to the information and explanations given to us the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause (xiii) of Para 4A of the said order are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of Para 4A of the said order are not applicable to the company.
- (xv) The company has given corporate guarantee for loans taken by its wholly owned subsidiary M/s. Rajratan Thai Wire Company Limited. As per our information and according to the explanations given to us the terms and conditions are not prima facie prejudicial to the interest of the company.
- (xvi) As per our information and according to explanations given to us no terms loans are raised during the year.
- (xvii) According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, we report that no short-term funds have been utilized for long term purposes.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act during the period under audit.
- (xix) As the company has not issued debentures this clause is not Applicable to the company.
- (xx) According to the information and explanations given to us, during the period covered by our audit report the company has not raised any money by public issues.
- (xxi) According to the information and explanations given to us, no fraud has been committed by or against the company during the year under audit.

FOR FADNIS & GUPTA
Chartered Accountants
(CA. Manoj Fadnis)
Partner
M.No. 072707

INDORE - 452001
DATED - 05th May 2010

BALANCE SHEET AS AT 31ST MARCH 2010

| PARTICULARS | Schedule | MARCH 31, 2010 (AMT. IN RS.) | MARCH 31, 2009 (AMT. IN RS.) |
|---|--------------|---------------------------------|---------------------------------|
| I. SOURCES OF FUNDS | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | I | 4,35,18,000 | 4,35,18,000 |
| (b) Reserves and Surplus | II | 46,91,13,984 | 38,58,32,635 |
| (2) Loan Funds | | | |
| (a) Secured Loans | III | 41,51,98,868 | 45,20,23,286 |
| (b) Unsecured Loans | IV | 4,88,94,085 | 3,90,12,449 |
| (3) Deferred Tax Liability | | | |
| | V | 8,39,38,851 | 8,36,28,939 |
| | TOTAL | <u>1,06,06,63,788</u> | <u>1,00,40,15,309</u> |
| II. APPLICATION OF FUNDS | | | |
| (1) Fixed assets | | | |
| (a) Gross Block | VI | 63,14,14,389 | 61,25,78,996 |
| (b) Less: Accumulated Depreciation | | <u>20,27,00,888</u> | <u>17,39,05,227</u> |
| (c) Net Block | | 42,87,13,501 | 43,86,73,769 |
| (d) Capital Work-in-Progress | | 1,08,64,056 | 22,15,790 |
| (2) Investment | | | |
| | VII | 17,84,15,346 | 16,92,73,600 |
| (3) Current Assets, Loans and Advances | | | |
| (a) Inventories | VIII | 7,19,72,722 | 6,23,33,149 |
| (b) Sundry Debtors | IX | 31,73,73,235 | 26,66,59,927 |
| (c) Cash & Bank Balances | X | 12,80,060 | 5,61,86,453 |
| (d) Other Current Assets | XI | 8,491 | 5,041 |
| (e) Loans And Advances | XII | <u>9,22,95,788</u> | <u>5,18,20,730</u> |
| | | 48,29,30,296 | 43,70,05,300 |
| Less: Current Liabilities & Provisions | | | |
| (a) Liabilities | XIII | 2,66,72,328 | 3,40,49,150 |
| (b) Provisions | | <u>1,35,87,083</u> | <u>91,04,000</u> |
| Net Current Assets | | 44,26,70,885 | 39,38,52,150 |
| | TOTAL | <u>1,06,06,63,788</u> | <u>1,00,40,15,309</u> |

Notes on Accounts

XXIII

The schedules and notes on accounts referred to herein form part of Balance Sheet

As per our Report of even date attached.

FOR FADNIS AND GUPTA
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

(CA MANOJ FADNIS)
 PARTNER
 M.No. 072707

VINEET CHOPRA
 COMPANY SECRETARY

SUNIL CHORDIA
 MANAGING DIRECTOR

D. TRIVEDI
 EXECUTIVE DIRECTOR

Indore
 Dated : 05th May 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2010

| PARTICULARS | Schedule | MARCH 31, 2010 (AMT. IN RS.) | MARCH 31, 2009 (AMT. IN RS.) |
|--|--------------|---------------------------------|---------------------------------|
| INCOME | | | |
| Sales | XIV | 1,58,91,81,475 | 1,61,49,39,951 |
| Less: Excise Duty | | 10,99,64,368 | 16,82,81,557 |
| Net Sales | | 1,47,92,17,107 | 1,44,66,58,394 |
| Other Income | XV | 47,07,160 | 49,25,442 |
| Increase/(Decrease) in Inventory | XVI | 92,65,817 | (94,95,934) |
| | TOTAL | 1,49,31,90,084 | 1,44,20,87,902 |
| EXPENDITURE | | | |
| Raw Material Consumed | XVII | 90,62,86,744 | 99,08,74,091 |
| Cost of Traded Goods | | 8,67,92,867 | 10,10,566 |
| Manufacturing Expenses | XVIII | 16,57,93,782 | 14,25,59,899 |
| Payment to & for Employees | XIX | 5,09,56,475 | 4,65,03,403 |
| Administrative Expenses | XX | 1,59,01,700 | 1,38,64,753 |
| Selling Expenses | XXI | 4,72,46,177 | 6,06,60,239 |
| Interest & Financial Charges | XXII | 4,88,39,797 | 6,80,70,629 |
| Depreciation | | 3,12,85,503 | 3,04,96,911 |
| | TOTAL | 1,35,31,03,045 | 1,35,40,40,491 |
| PROFIT BEFORE TAX | | 14,00,87,039 | 8,80,47,411 |
| Less: Tax Expenses | | | |
| Current Tax | | 4,93,42,923 | 2,96,99,026 |
| Deferred Tax | | 3,09,912 | 9,55,309 |
| Fringe Benefit Tax | | | 2,10,810 |
| Prior Period Adjustments | | (4,84,228) | (85,607) |
| PROFIT AFTER TAX | | 9,09,18,432 | 5,72,67,873 |
| Add: Balance brought forward from Previous Year | | 1,03,47,435 | 81,70,950 |
| PROFIT AVAILABLE FOR APPROPRIATION | | 10,12,65,867 | 6,54,38,823 |
| APPROPRIATION | | | |
| Transferred to General Reserve | | 5,00,00,000 | 5,00,00,000 |
| Proposed Dividend (Subject to Approval of Shareholders) | | 65,27,700 | 43,51,800 |
| Dividend Tax | | 11,09,383 | 7,39,588 |
| Balance Carried to Balance Sheet | | 4,36,28,784 | 1,03,47,435 |
| | TOTAL | 10,12,65,867 | 6,54,38,823 |
| Earning per equity Share of Rs. 10 each (Basic) | | Rs. 20.89 | Rs. 13.16 |
| Earning per equity Share of Rs. 10 each (Diluted) | | Rs. 20.89 | Rs. 13.16 |
| Notes on Accounts | XXIII | | |
| The schedules and notes on accounts referred to herein form part of Profit & Loss Account. | | | |

As per our Report of even date attached.

FOR FADNIS AND GUPTE
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

(CA MANOJ FADNIS)
PARTNER
M.No. 072707

VINEET CHOPRA
COMPANY SECRETARY

SUNIL CHORDIA
MANAGING DIRECTOR

D. TRIVEDI
EXECUTIVE DIRECTOR

Indore
Dated : 05th May 2010

SCHEDULES ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

| PARTICULARS | MARCH 31, 2010 (AMT. IN RS.) | MARCH 31, 2009 (AMT. IN RS.) |
|--|---------------------------------|---------------------------------|
| <u>SCHEDULE-I</u> | | |
| <u>SHARE CAPITAL</u> | | |
| Authorised: | | |
| 80,00,000 Equity Shares of Rs.10/-each (Previous year 80,00,000 Equity Share of Rs.10/- each) | 8,00,00,000 | 8,00,00,000 |
| Issued, Subscribed and Paid up: | | |
| 43,51,800 Equity Share Rs.10/- each fully paid up | 4,35,18,000 | 4,35,18,000 |

SCHEDULE-II

RESERVES & SURPLUS

1 Capital Reserve:

State Investment Subsidy

15,00,000

15,00,000

2. Share Premium

8,39,85,200

8,39,85,200

3. General Reserve:

As per Last Balance Sheet

29,00,00,000

24,00,00,000

Add: Transferred from Profit & Loss account

5,00,00,000

5,00,00,000

34,00,00,000

29,00,00,000

4. Profit & Loss Account

4,36,28,784

1,03,47,435

TOTAL

46,91,13,984

38,58,32,635

SCHEDULE-III

SECURED LOANS

A. Term Loans

01. State Bank of India, Commercial Branch Indore

13,60,51,179

18,41,10,499

02. Industrial Development Bank of India Ltd Indore

-

35,00,000

03. Technology Development Board, Delhi

-

43,00,000

B. Working Capital Loan from State Bank of India

Commercial Branch, Indore

01. Cash Credit Loan a/c

9,94,06,858

10,17,91,681

02. Export Bill Discounting

-

19,57,667

03. Export Packing Credit

39,83,522

32,59,410

04. Foreign Currency Demand Loan

9,13,58,578

5,07,80,945

C. Working Capital Loan From Industrial Development

Bank of India Ltd Indore

01. Cash Credit Loan

55,10,922

6,19,82,354

02. Short Term Loan

3,75,00,000

2,00,00,000

03. IDBI Bank Buyers Credit

2,30,19,236

-

D. HDFC Bank Limited (Car Loan)

11,45,501

-

E. Sales Tax Interest Free Loan (MPSIDC)

1,72,23,072

2,03,40,730

TOTAL

41,51,98,868

45,20,23,286

SECURITY:

- A. Term loans are secured by way of an equitable mortgage of immovable properties ranking pari passu amongst the lenders and by a first charge by way of hypothecation of all the company's movable machinery, present and future, subject to prior charges created in favour of Company's Banker on the stock of raw materials, goods in process, finished and manufactured goods and Book Debts towards security for working capital facilities. Term loans are also secured by personal guarantee of the Managing Director.
- B. Working Capital advances from Banks are secured by hypothecation of company's stock and book debts, present and future and by a second charge on all the immovable properties of the company and plant and machinery, machinery spares, tools and accessories and other movables both present and future. Such advances are also secured by personal guarantees of the Managing Director.
- C. Charge was created in favour of Madhya Pradesh State Industrial Development Corporation Ltd. ranking pari-passu on fixed assets with other Financial Institution, Bank, Technology Development Board towards part of deferred sales tax liability during the year. Hence part of the amount has been considered as secured loan.
- D. Vehicle Loan Secured by Hypothecation of Car.

| PARTICULARS | MARCH 31, 2010 (AMT. IN RS.) | MARCH 31, 2009 (AMT. IN RS.) |
|-------------|---------------------------------|---------------------------------|
|-------------|---------------------------------|---------------------------------|

SCHEDULE-IV

UNSECURED LOANS

| | | |
|--------------------------------|---------------------------|---------------------------|
| 01. Corporate Bodies | 4,30,09,555 | 3,31,27,919 |
| 02. Sales Tax Deferment Scheme | 58,84,530 | 58,84,530 |
| TOTAL | <u>4,88,94,085</u> | <u>3,90,12,449</u> |

SCHEDULE-V

DEFERRED TAX LIABILITY

| | | |
|--------------------------|---------------------------|---------------------------|
| As Per Last Year | 8,36,28,939 | 8,26,73,630 |
| Provided during the year | 3,09,912 | 9,55,309 |
| | <u>8,39,38,851</u> | <u>8,36,28,939</u> |

SCHEDULE – VI : FIXED ASSETS

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|-----------------------------------|-------------------|---------------------------|------------------------------|-------------------|------------------|-----------------|-----------------|------------------|-------------------|-------------------|
| | As On 01.04.09 | Additions for the year | Deduction during the year | As on 31.03.10 | Upto 31.03.09 | for the year | Written Back | Upto 31.03.10 | As On 31.03.10 | As On 31.03.09 |
| FREE HOLD LAND | 1872701 | 0 | 0 | 1872701 | 0 | 0 | 0 | 0 | 1872701 | 1872701 |
| LEASE HOLD LAND | 2003199 | 0 | 0 | 2003199 | 0 | 0 | 0 | 0 | 2003199 | 2003199 |
| SITE DEVELOPMENT | 14296293 | 113717 | 0 | 14410010 | 1076389 | 234667 | 0 | 1311056 | 13098954 | 13219904 |
| FACTORY BUILDING & SHED | 60642154 | 772440 | 0 | 61414594 | 15901518 | 2031438 | 0 | 17932956 | 43481638 | 44740636 |
| PLANT & MACHINERY | 415680682 | 18434538 | 3536583 | 430578637 | 122764297 | 22316136 | 1662914 | 143417518 | 287161119 | 292916385 |
| E.T.P. & MACHINERY | 3830247 | 106886 | 0 | 3937133 | 1819869 | 203178 | 0 | 2023046 | 1914087 | 2010378 |
| ELECTRICAL INSTALLATION | 25519476 | 24336 | 30000 | 25513811 | 7476365 | 1346166 | 3432 | 8819098 | 16694713 | 18043111 |
| OFFICE EQUIPMENTS | 2450075 | 114279 | 0 | 2564354 | 964050 | 119806 | 0 | 1083855 | 1480499 | 1486025 |
| FURNITURE & FIXTURES | 8210162 | 119697 | 0 | 8329859 | 2722426 | 522391 | 0 | 3244817 | 5085042 | 5487736 |
| VEHICLES | 3322339 | 3448034 | 928750 | 5841623 | 1526994 | 376744 | 823492 | 1080246 | 4761377 | 1795345 |
| COMPUTER & PERIPHERALS | 3239483 | 196800 | 0 | 3436283 | 2490517 | 287928 | 0 | 2778445 | 657838 | 748966 |
| ERP SOFTWARE | 1030781 | 0 | 0 | 1030781 | 699733 | 167089 | 0 | 866822 | 163959 | 331048 |
| R & D ASSETS | | | | | | | | | | |
| BUILDING | 999556 | 0 | 0 | 999556 | 203012 | 33385 | 0 | 236397 | 763159 | 796544 |
| EQUIPMENTS | 2838312 | 0 | 0 | 2838312 | 1165012 | 134820 | 0 | 1299832 | 1538480 | 1673300 |
| FURNITURE & FIXTURES | 504087 | 0 | 0 | 504087 | 183738 | 31909 | 0 | 215647 | 288440 | 320349 |
| WIND MILL PROJECT | | | | | | | | | | |
| FREE HOLD LAND | 233277 | 0 | 0 | 233277 | 0 | 0 | 0 | 0 | 233277 | 233277 |
| WIND MILL PLANT | 65906172 | 0 | 0 | 65906172 | 14911307 | 3479846 | 0 | 18391153 | 47515019 | 50994865 |
| TOTAL | 612578996 | 23330727 | 4495333 | 631414389 | 173905227 | 31285503 | 2489838 | 202700888 | 428713501 | 438673769 |
| PREVIOUS YEAR | 595874675 | 21129058 | 4424737 | 612578996 | 145904963 | 30496911 | 2496647 | 173905227 | 438673769 | 449969712 |
| CAPITAL WORK IN PROGRESS | 2215790 | 10864056 | 2215790 | 10864056 | 0 | 0 | 0 | 0 | 10864056 | 2215790 |

| PARTICULARS | MARCH 31, 2010 (AMT. IN RS.) | MARCH 31, 2009 (AMT. IN RS.) |
|-------------|---------------------------------|---------------------------------|
|-------------|---------------------------------|---------------------------------|

SCHEDULE-VII

INVESTMENT

LONG TERM-AT COST (NON TRADE)

UNQUOTED EQUITY SHARES

| | | |
|---|---------------------|---------------------|
| 01 87,500 Equity Shares in Swaraj Technocraft Pvt. Ltd. of Rs.10 each.(Total 87,500 Shares of which 50,000 Shares acquired at par at Rs.10/- each and 37,500 Shares acquired at Rs.40/- each including premium of Rs.30/- per share) | 20,00,000 | 20,00,000 |
| 02 250 Equity Shares of Rs.10/- each of The Shyamrao Vitahldas Co-operative Society Ltd., Mumbai (Fully Paid up) | 2,500 | 2,500 |
| 03. National Saving Certificate | 7,500 | 7,500 |
| 04 Equity Share in Rajratan Thai Wire Co. Ltd. Thailand (Subsidiary Company) [Total 1,39,99,930 fully paid equity share of Baht 10 each (Previous year 1,39,99,930 shares of which 1,27, 99,930 fully paid shares of Baht 10 each and 12,00,000 partly paid shares of Baht 4.40 each] | 17,64,05,346 | 16,69,75,433 |
| 05 Share Application Money Pending Allotment with Rajratan Thai Wire Co.Ltd. (Subsidiary Company) | -- | 2,88,167 |
| TOTAL | 17,84,15,346 | 16,92,73,600 |

CURRENT ASSETS LOANS AND ADVANCES

SCHEDULE-VIII

INVENTORIES

| | | |
|----------------------------|--------------------|--------------------|
| 01. Raw Materials | 2,53,37,786 | 2,81,64,411 |
| 02. Work-In-Progress | 65,56,773 | 51,77,422 |
| 03. Stores and Spare Parts | 79,34,154 | 82,91,571 |
| 04. Finished Goods | 1,69,93,092 | 91,06,626 |
| 05. Ancillary Raw Material | 1,51,50,917 | 1,15,93,119 |
| TOTAL | 7,19,72,722 | 6,23,33,149 |

SCHEDULE-IX

SUNDRY DEBTORS

Debt unsecured & considered good

| | | |
|--|---------------------|---------------------|
| a) Outstanding for a period exceeding 6 months | 51,31,778 | 59,31,778 |
| b) Other debts | 31,22,41,457 | 26,07,28,149 |
| TOTAL | 31,73,73,235 | 26,66,59,927 |

SCHEDULE-X

CASH & BANK BALANCES

| | | |
|--|------------------|--------------------|
| A. Cash Balance on hand including foreign currency | 6,28,560 | 6,14,639 |
| B. Balances with Scheduled Banks | | |
| a) In Current Account | 3,44,316 | 5,52,99,351 |
| b) In Fixed Deposits Account | 3,07,184 | 2,72,463 |
| TOTAL | 12,80,060 | 5,61,86,453 |

| PARTICULARS | MARCH 31, 2010 (AMT. IN RS.) | MARCH 31, 2009 (AMT. IN RS.) |
|--|---|---|
| <u>SCHEDULE-XI</u> | | |
| <u>OTHER CURRENT ASSETS</u> | | |
| a) Interest Accrued on Fixed Deposits | 8,491 | 5,041 |
| TOTAL | 8,491 | 5,041 |
| <u>SCHEDULE-XII</u> | | |
| <u>LOANS AND ADVANCES</u> | | |
| a) Advance & Loans to Subsidiary Rajratan Thai Wire Co. Ltd. | 1,88,67,306 | --- |
| b) Advance recoverable in cash or in kind or for to be received | 7,11,00,074 | 4,99,91,705 |
| c) Balance With Central Excise Authorities | 23,28,408 | 18,29,025 |
| TOTAL | 9,22,95,788 | 5,18,20,730 |
| <u>SCHEDULE- XIII</u> | | |
| <u>CURRENT LIABILITIES & PROVISIONS</u> | | |
| A) CURRENT LIABILITIES | | |
| (i) Sundry Creditors | | |
| (i) Total Outstanding dues of Micro and Small enterprises | NIL | NIL |
| (ii) Total Outstanding dues of Creditors Other Than Micro and Small enterprises | 1,26,78,197 | 2,02,29,621 |
| (ii) Unpaid Dividend | 3,33,587 | 2,88,625 |
| (iii) Other Liabilities | 1,36,53,181 | 1,34,77,890 |
| (iv) Interest accrued but not due on Loans | 7,363 | 53,014 |
| TOTAL (A) | 2,66,72,328 | 3,40,49,150 |
| B) PROVISIONS : | | |
| (i) Income Tax (Net of Advance Tax) | 59,50,000 | 39,91,802 |
| (ii) Fringe Benefit Tax (Net of Advance Tax) | -- | 20,810 |
| (iii) Proposed Dividend | 76,37,083 | 50,91,388 |
| TOTAL (B) | 1,35,87,083 | 91,04,000 |
| TOTAL (A+B) | 4,02,59,411 | 4,31,53,150 |
| <u>SCHEDULE-XIV</u> | | |
| <u>SALES</u> | | |
| I) Sale of Manufactured Product | 1,50,12,32,662 | 1,60,85,33,891 |
| II) Sale of Trading Goods | 8,79,48,813 | 11,96,189 |
| III) Sale of Carbon credit | -- | 52,09,871 |
| TOTAL | 1,58,91,81,475 | 1,61,49,39,951 |
| <u>SCHEDULE-XV</u> | | |
| <u>OTHER INCOME</u> | | |
| I) Interest Income | 13,60,082 | 16,08,340 |
| II) Dividend from Long Term Investment | 87,875 | 1,31,625 |
| III) Other Operating Income | 32,59,203 | 31,85,477 |
| TOTAL | 47,07,160 | 49,25,442 |

| PARTICULARS | MARCH 31, 2010 (AMT. IN RS.) | MARCH 31, 2009 (AMT. IN RS.) |
|--|---------------------------------|---------------------------------|
| <u>SCHEDULE – XVI</u> | | |
| <u>INCREASE/(DECREASE) IN INVENTORY</u> | | |
| Closing Stock | | |
| a) Finished Goods | 1,69,93,092 | 91,06,626 |
| b) Work-In-Progress | 65,56,773 | 51,77,422 |
| | 2,35,49,865 | 1,42,84,048 |
| Less- Opening Stock | | |
| a) Finished Goods | 91,06,626 | 1,79,34,619 |
| b) Work-In-Progress | 51,77,422 | 58,45,363 |
| | 1,42,84,048 | 2,37,79,982 |
| Net Increase/(Decrease) | TOTAL | (94,95,934) |

| | | |
|---|--------------------|-----------------------|
| <u>SCHEDULE – XVII</u> | | |
| <u>RAW MATERIAL CONSUMED</u> | | |
| <u>Opening Stock</u> | | |
| Wire Rod | 2,81,64,411 | 2,34,64,974 |
| Ancillary Raw Material | 1,15,93,119 | 1,67,14,768 |
| | 3,97,57,530 | 4,01,79,742 |
| Add: Purchases of wire rod & other Raw Material (Net of CENVAT and Vat Credit but including Entry Tax) | 90,70,17,917 | 99,04,51,879 |
| | TOTAL (A) | 1,03,06,31,621 |
| Less: Closing Stock :- | | |
| Wire Rod | 2,53,37,786 | 2,81,64,411 |
| Ancillary Raw Material | 1,51,50,917 | 1,15,93,119 |
| | TOTAL (B) | 3,97,57,530 |
| RAW MATERIAL CONSUMED | TOTAL [A-B] | 99,08,74,091 |

| | | |
|---|----------------|---------------------|
| <u>SCHEDULE–XVIII</u> | | |
| <u>MANUFACTURING EXPENSES</u> | | |
| Power & Fuel | 10,32,11,788 | 8,96,32,667 |
| Less: Recovery of Energy Generated by Windmills | (-) 98,99,455, | (-) 1,10,26,534 |
| | 9,33,12,333 | 7,86,06,133 |
| Consumable Stores | 1,71,29,647 | 1,55,28,374 |
| Packing Material | 1,41,42,872 | 1,33,90,987 |
| Freight Inwards | 86,80,109 | 92,90,685 |
| Entry Tax | 5,20,427 | 3,56,423 |
| Water Charges | 3,69,776 | 2,58,392 |
| Material Testing Charges | 92,779 | 94,212 |
| Factory Expenses | 16,82,026 | 9,87,177 |
| Research & Development Expenses | 1,68,050 | 1,30,434 |
| Effluent Treatment Plant Expenses | 18,12,135 | 11,97,979 |
| Repair & Maintenance | | |
| - To Plant & Machinery | 2,37,21,897 | 1,99,69,057 |
| - To Building | 23,08,222 | 9,34,167 |
| - To Furniture | 22,678 | 11,599 |
| Wind Mill Maintenance | 17,05,167 | 16,35,199 |
| Lease Rent & Development Charges to MPAKVN | 1,25,664 | 1,69,081 |
| | TOTAL | 14,25,59,899 |

| PARTICULARS | MARCH 31, 2010 (AMT. IN RS.) | MARCH 31, 2009 (AMT. IN RS.) |
|--|---------------------------------|---------------------------------|
| <u>SCHEDULE – XIX</u> | | |
| <u>PAYMENT TO & FOR EMPLOYEES</u> | | |
| Salaries, Wages, Bonus & Allowances | 4,48,70,927 | 3,79,78,258 |
| Contribution to Provident Fund | 24,17,804 | 21,70,722 |
| Contributions to ESIC | 9,43,463 | 9,09,778 |
| Staff Welfare Expenses | 18,51,575 | 13,80,811 |
| Contributions to Gratuity Fund | 2,79,647 | 35,21,969 |
| Medical Expenses Reimbursement | 5,93,059 | 5,41,865 |
| TOTAL | <u>5,09,56,475</u> | <u>4,65,03,403</u> |
| <u>SCHEDULE- XX</u> | | |
| <u>ADMINISTRATIVE EXPENSES</u> | | |
| Telephone & Postage | 9,28,636 | 9,37,076 |
| Stationary & Printing | 4,87,649 | 4,68,017 |
| Travelling Expenses | | |
| - Directors | 2,46,040 | 3,18,107 |
| - Others | 13,43,014 | 14,29,432 |
| - Foreign Travel Expenses | <u>5,93,371</u> | 6,65,348 |
| Conveyance Expenses | 8,12,867 | 8,12,431 |
| Auditor's Remuneration | | |
| - Statutory Audit | 1,50,000 | 1,25,000 |
| - Tax Audit | 50,000 | 50,000 |
| - Certification Charges | <u>25,000</u> | 25,000 |
| Internal Audit | 1,00,000 | 1,00,000 |
| Vehicle Maintenance | 1,58,318 | 1,08,360 |
| Remuneration to Directors | | |
| - Chairman | | |
| - Managing Director | 35,00,000 | 35,00,000 |
| - Executive Director | <u>23,58,895</u> | 20,19,683 |
| Directors Meeting Fees | 52,500 | 70,000 |
| Office Expenses | 1,00,850 | 85,599 |
| Office Rent | 2,16,000 | 2,85,288 |
| Legal & Professional charges | 25,15,929 | 12,16,120 |
| Insurance Charges | 2,79,447 | 3,81,398 |
| Garden Expenses | 83,296 | 54,440 |
| Membership, Registration & Subscription | 68,554 | 1,46,403 |
| Newspaper, books & periodicals | 63,852 | 35,814 |
| Professional Tax | 2,500 | 2,500 |
| Property Tax | 1,96,254 | 81,410 |
| Donations | 1,55,000 | 2,500 |
| Loss on Sale of Assets | 14,13,728 | 6,44,827 |
| Share issue expenses written off | - | 3,00,000 |
| TOTAL | <u>1,59,01,700</u> | <u>1,38,64,753</u> |

| PARTICULARS | MARCH 31, 2010 (AMT. IN RS.) | MARCH 31, 2009 (AMT. IN RS.) |
|---------------------------------|---|---|
| <u>SCHEDULE – XXI</u> | | |
| <u>SELLING EXPENSES</u> | | |
| Freight Outwards | 2,88,04,319 | 2,51,31,501 |
| Export Expenses | 1,53,73,711 | 2,85,90,673 |
| Service Tax on freight outwards | 6,91,413 | 14,28,738 |
| Advertisement Expenses | 4,79,179 | 3,14,178 |
| Transit Insurance | 6,30,018 | 4,34,519 |
| Commission on Sales | 4,95,031 | 38,24,428 |
| Sales Promotion | 2,30,477 | 1,51,792 |
| Sales Tax | 3,13,649 | 3,55,865 |
| Bad Debts Written Off | 2,28,380 | 4,28,545 |
| TOTAL | <u>4,72,46,177</u> | <u>6,06,60,239</u> |

| | | |
|---|---------------------------|---------------------------|
| <u>SCHEDULE – XXII</u> | | |
| <u>INTEREST AND FINANCIAL CHARGES</u> | | |
| Interest on Term Loan | 1,68,82,389 | 2,33,52,654 |
| Interest on CC Loan | 2,06,01,022 | 3,31,18,404 |
| On Unsecured Loans | 34,35,531 | 28,60,190 |
| Bank Commission & Charges | 35,80,215 | 54,48,713 |
| Premium on FCNR Forward Booking for Demand Loan | 22,01,403 | 21,67,182 |
| Exchange Difference Fluctuation | 21,39,237 | 11,23,486 |
| TOTAL | <u>4,88,39,797</u> | <u>6,80,70,629</u> |

SCHEDULE – XXIII

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1.1 Basis of Preparation of Financial Statements

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI'), The Companies Accounting Standard Rules, 2006 and relevant provisions of Companies Act, 1956 ("the Act") to the extent applicable.

1.2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

1.3 Fixed assets and depreciation

Fixed assets are stated at acquisition cost less accumulated depreciation. The cost of fixed assets comprises its purchase price including import duties and other non-refundable taxes or levies and any directly, attributable cost of bringing the asset to the working condition for its intended use.

Depreciation is provided on the straight-line method ('SLM') as per the depreciation rates prescribed in Schedule XIV of the Act.

The Depreciation on the assets Capitalized/Sold during the year is charged on prorata basis.

Capital Work-In-Progress includes the cost of fixed assets that are not ready to use at the balance sheet date and advances paid to acquire capital assets before the balance sheet date.

1.4 Intangible Assets

Intangible Assets comprise of ERP Software. Depreciation is charged @16.21%, being the rate prescribed for Data Processing Machines including computer in schedule XIV to the Act.

1.5 Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or a group of assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit & loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

1.6 Investments

Investments classified as long term investment are carried at cost. Provision for diminution, if any, is made to recognize a decline other than temporary, in the value of the investment.

Investment in Rajratan Thai Wire Ltd., Thailand, being a non-monetary item which is carried in terms of historical cost denominated in Thai Baht, is reported using the exchange rate at the date of transaction.

1.7 Inventories

- (a) Inventories are valued at cost or net realizable value whichever is lower.
- (b) The cost of inventories comprise all costs of purchase including duties and taxes (other than those subsequently recoverable from the taxing authorities), conversion cost and other costs incurred in bringing the inventories to their present location and condition.
- (c) The cost formulas used are Weighted Average Cost in case of Raw Material and First-in- First Out ('FIFO') in case of Ancillary Raw Material and Consumable Spares.
- (d) Excise Duty is included in the value of finished goods inventory.

1.8 Revenue recognition

- (a) Revenue from sale of products is recognized on transfer of all significant risk and rewards of ownership of products to the customers, which is generally on dispatch of goods. Sales are stated exclusive of Value Added Tax.
- (b) Dividend income is recognized when the right to receive the dividend is established.
- (c) Interest income is recognized on the time proportion basis.
- (d) Export incentives receivable are accrued for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds.

1.9 Employee Benefits

- (a) Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and short term compensated absences, etc. are recognized in the period in which the employee renders the related services.

- (b) Post- Employment Benefits

- (i) Defined Contribution Plans: The Employee State Insurance Scheme and Contributory Provident Fund administered by Provident Fund Commissioner are defined contribution plans. The Company's contribution paid/payable under the schemes is recognized as expense in the profit and loss account during the period in which the employee renders the related service.
- (ii) Defined Benefit Plans: The Company has taken Group Gratuity and Cash Accumulation Policy issued by the Life Insurance Corporation of India (LIC). The present value of the obligation under such defined benefit plans is determined based on actuarial valuation as advised by LIC, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, are as advised by LIC.

Actuarial gains and losses are recognized immediately in the Profit & Loss Account.

1.10 Foreign Currency Transactions

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account of the year.

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the closing exchange

rate and the resultant exchange differences are recognized in the profit and loss account.

The premium or the discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculation purpose is amortized as expense or income over the life of the contract.

1.11 Borrowing Costs

The borrowing costs that are directly attributable to the acquisition, construction or productions of a qualifying asset are capitalized as part of the cost of that asset. The amount of borrowing cost eligible for capitalization is determined in accordance with Accounting Standard (AS) 16- Borrowing Costs issued by the Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standard Rules 2006

1.12 Research and Development

Expenditure on research phase is recognized as an expense when it is incurred. Expenditure on development phase is recognized as an intangible asset if it is likely to generate probable future economic benefits.

1.13 Taxation

Tax expenses for the current year comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act 1961. Deferred tax is recognized, on timing differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

1.14 Earning Per Share

Basic and diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year. There are no diluted potential equity share.

1.15 Provisions for Contingencies

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the company recognizes it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Disclosures for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources when there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Contingent assets are not recognized in the financial statements.

2. In the opinion of the Board of Directors of the Company, the Current Assets, Loans and Advances have a value realizable in the ordinary course of business at least equal to the amount at which they are stated and provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary.
3. The estimated amount of contract remaining to be executed on capital account and not provided for Rs 1,40,57,871/- (Previous Year Rs. 50,10,663/-) Advances paid to suppliers of capital goods is Rs.47,01,065/- are (Previous Year 12,26,453/-) included in the Capital Work in progress.
4. Contingent liabilities
 - a) Bank Guarantees given by Bank Rs. NIL (Previous Year Rs.6,76,000/-) .
 - b) The company has given the Corporate Guarantee for the credit facilities availed by M/s Rajratan Thai Wire Co.Ltd, Thailand the wholly owned subsidiary of the company: USD 12.30 Million (Previous Year USD 12.30 Million)
 - c) The Demands have been raised by the Income Tax department against the company after assessment for the following years though the company has filed appeals before the appropriate authorities against such assessment orders.

| | |
|-------------|---------------|
| A.Y.2007-08 | Rs.1,34,891/- |
|-------------|---------------|
5. Installments of term loans from financial institutions falling due within one year are Rs.4,32,00,000/- (Previous year Rs.5,43,33,233/-) and Sales Tax Deferment Loan Rs.1,72,23,072/- (Previous Year Rs. 1,42,09,904/-)
6. Quantitative Information as required under Clause 3(i) (a), 3(ii), 4-C, 4-D of Part II of Schedule VI to the Companies Act, 1956.

| | 31st March 2010 | | 31st March 2009 | |
|--|-------------------|---------------------|-------------------|---------------------|
| Tyre Bead Wire/Steel Wire | Quantity (MT) | | Quantity (MT) | |
| a. Registered Capacity (SIA) | 40,000 | | 40,000 | |
| b. Installed Capacity | 30,000 | | 30,000 | |
| c. Production | 29,188.693 | | 25,573.319 | |
| The installed capacity is mentioned as certified by the management and being technical matter has not been verified by the auditors. | | | | |
| | 31st March 2010 | | 31st March 2009 | |
| | Quantity (MT) | Value Rupees | Quantity (MT) | Value Rupees |
| d. Opening Stock | | | | |
| (i) Finished Goods | 189.201 | 91,06,626 | 446.941 | 1,79,34,619 |
| (ii) Work in Progress | 126.670 | 51,77,422 | 182.972 | 58,45,363 |
| e. Closing Stock | | | | |
| (i) Finished Goods | 413.893 | 1,69,93,092 | 189.201 | 91,06,626 |
| (ii) Work in Progress | 195.018 | 65,56,773 | 126.670 | 51,77,422 |
| f. Turnover of Manufactured Goods | 28,964.001 | 1,50,12,32,662 | 25,831.059 | 1,60,85,33,891 |
| g. Trading Goods | | | | |
| Opening Stock | | NIL | | NIL |
| Purchases | | 8,67,92,867 | | 10,10,566 |
| Closing Stock | | NIL | | NIL |
| Sales | | 8,79,48,814 | | 11,96,189 |
| The quantitative details can not be maintained due to different nature and large number of products dealt with | | | | |
| h. Raw Material Consumed | | | | |
| i) Wire Rod | 29,626.518 | 88,93,60,851 | 25,959.282 | 96,77,50,661 |
| ii) Other Raw Material | - | 1,69,25,893 | - | 2,31,23,430 |
| | | 90,62,86,744 | | 99,08,74,091 |
| 7. Value of Imported and indigenous Raw Materials Consumed: | | | | |
| Imported: | Percentage | Value | Percentage | Value |
| Imported | 14.98% | 13,58,41,153 | 13.08% | 12,95,96,566 |
| Indigenous | 85.02% | 77,04,45,591 | 86.92% | 86,12,77,525 |
| | | 90,62,86,744 | | 99,08,74,091 |
| 8. C.I.F Value of Purchases | | | | |
| Particulars | | Value | | Value |
| (i) Raw Material | | 12,58,13,935 | | 12,37,36,479 |
| (ii) Components & Spare Parts | | 82,482 | | 2,76,808 |
| (iii) Capital Goods | | 16,37,272 | | 14,45,524 |

| | | | |
|-----|--|--------------------------|--------------------------|
| 9. | Earning in Foreign Exchange | | |
| | F.O.B Value of Exports | 9,74,60,026 | 15,12,75,139 |
| | F.O.B Value of Exports (Deemed) | 14,79,543 | NIL |
| 10. | Other Expenditure in Foreign Currency: | | |
| | A. Travelling Expenses | 4,13,531 | 2,94,662 |
| | B. Journals, Periodicals & Packing Material | NIL | 5,708 |
| | C. Advertisement Expenses | 72,709 | 96,098 |
| | D. Testing Fees | 23,614 | 14,154 |
| | E. Technical Consultancy | 50,809 | - |
| 11. | Remittances in Foreign Currency: | | |
| | A. Investment in Rajratan Thai Wire Co. Ltd. | 94,29,913 | 2,33,33,183 |
| | B. Share Application Money Rajratan Thai Wire Co.Ltd. | NIL | 2,88,167 |
| | C. Loan To Rajratan Thai Wire Co. Ltd. | 1,92,63,754 | NIL |
| 12. | Computation of Net Profit in according with section 198 of the Companies Act, 1956: | | (Rs. In Lacs) |
| | Net Profit before tax | | 1400.87 |
| | Add:- | | |
| | i) Directors' Remuneration | | 58.59 |
| | ii) Adjustment of Depreciation Provided in accounts if in excess/short as compared to depreciation U/s 350 of the Companies Act. | | NIL |
| | iii) Profit/(Loss) on sale of assets | | <u>(14.13)</u> |
| | Total | | 1445.33 |
| | Maximum Remuneration Permissible under the Act | | 144.53 |
| 13. | During the year the dividend received from Joint Venture in M/s Swaraj Technocrafts Pvt. Ltd. is Rs.87,500/- (Previous Year Rs.1,31,250/-). | | |
| 14. | The suppliers of the company have not informed about the status of their Registration under Micro, Small and Medium Enterprises Act, there for the information in this regard could not be compiled with. The total outstanding dues of micro and small enterprises have been considered as NIL. | | |
| 15. | During the year the commission on sales paid to Selling Agents is Rs. 4,95,031/- (Previous Year Rs.38,24,428/-). | | |
| 16. | The amount of Foreign Exchange difference included in the profit & loss account is Rs. (-) 21,39,237/- (Previous Year Rs. (-) 11,23,486/-). | | |
| 17. | The disclosure required as per Accounting Standard (AS) 15 "Employees Benefit" issued by the Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standards Rules, 2006 and based on the report generated by Life Insurance Corporation of India (LIC) is as under:- | | |
| | (a) The company has taken Group Gratuity and Cash Accumulation Policy issued by the LIC which is a defined benefit plan. | | |
| | (b) Table showing changes in present value of obligations as on | | |
| | | <u>31/03/2010</u> | <u>31/03/2009</u> |
| | Present value of obligations as at beginning of the year | 59,59,622/- | 31,55,901/- |
| | Interest Cost | 4,76,770/- | 2,52,472/- |
| | Current Service Cost | 6,61,262/- | 4,17,891/- |
| | Benefit Paid | (1,21,177) | (3,96,350) |
| | Actuarial (gain)/loss on obligations | <u>(14,75,809)</u> | <u>25,29,708</u> |
| | Present value of obligations as at end of the year | <u>54,94,668</u> | <u>59,59,622</u> |

| | | | |
|-----|--|--------------------------|--------------------------|
| (c) | Table showing changes in the fair value of plan assets as on | <u>31/03/2010</u> | <u>31/03/2009</u> |
| | Fair value of plan assets at beginning of the year | 31,49,063/- | 22,70,731/- |
| | Expected return on plan assets | 4,15,902/- | 1,92,656/- |
| | Contribution | 30,33,291/- | 10,82,026/- |
| | Benefit Paid | (1,27,177) | (3,96,350) |
| | Actuarial (gain)/loss on plan assets | NIL | NIL |
| | Fair value of the plan assets at the end of the year | <u>64,71,079/-</u> | <u>31,49,063/-</u> |
| (d) | Table showing fair value of plan assets as on | <u>31/03/2010</u> | <u>31/03/2009</u> |
| | Fair value of plan assets at beginning of the year | 31,49,063/- | 22,70,731/- |
| | Actual return on plan assets | 4,15,902/- | 1,92,656/- |
| | Contribution | 30,33,291/- | 10,82,026/- |
| | Benefit Paid | (1,21,177) | (3,96,350) |
| | Fair value of the plan assets at the end of the year | 64,71,079/- | 31,49,063/- |
| | Funded status | 9,76,411/- | (28,10,559) |
| | Excess of actual over estimated return on plan assets | NIL | NIL |
| | (Actual Rate of return= estimated rate of return as ARD falls on 31/03/2010) | | |
| (e) | Actuarial Gain/(Loss) recognized as on 31/03/2010 | <u>31/03/2010</u> | <u>31/03/2009</u> |
| | Actuarial Gain/(Loss) for the year-obligation | 14,75,809/- | (25,29,708) |
| | Actuarial Gain/(Loss) for the year-plan assets | NIL | NIL |
| | Total (Gain)/Loss for the year | 14,75,809/- | 25,29,708/- |
| | Actuarial Gain/(Loss) recognized for the year | 14,75,809/- | 25,29,708/- |
| (f) | Expenses recognized in statement of profit and loss | <u>31/03/2010</u> | <u>31/03/2009</u> |
| | Current Service Cost | 6,61,262/- | 4,17,891/- |
| | Interest cost | 4,76,770/- | 2,52,472/- |
| | Expected return on Plan Asset | (4,15,902) | (1,92,656) |
| | Net Actuarial (Gain)/Loss recognized in the year | (14,75,809) | 25,29,708/- |
| | Expenses recognized in the statement of profit & loss Under AS 15 | (7,53,679) | 30,07,415/- |
| (g) | Assumption | <u>31/03/2010</u> | <u>31/03/2009</u> |
| | Discount rate | 8% | 8% |
| | Salary Escalation | 5% | 3% |

18. In accordance with the Accounting Standard (AS)17 "Segment Reporting" issued by The Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standards Rules, 2006 the company has identified Windmill unit as a separate reportable segment. The requisite disclosure is as under:-

Information About Business Segments

(Rs. In Lac)

| REVENUE | STEEL WIRE | | WIND MILL | | CONSOLIDATED | |
|---|-----------------|-----------------|--------------|---------------|-----------------|-----------------|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| External Sales | 14792.17 | 14414.48 | 0 | 52.10 | 14792.17 | 14466.58 |
| Inter Segment Sales | -- | -- | 98.99 | 110.26 | 98.99 | 110.26 |
| Total Revenue | 14792.17 | 14414.48 | 98.99 | 162.36 | 14891.16 | 14576.64 |
| RESULT | | | | | | |
| Segment Result | 2293.06 | 2043.62 | 43.5 | 110.75 | 2336.56 | 2154.37 |
| Unallocated Corporate expenses | - | | - | - | 460.91 | 609.26 |
| Operating Profit | | | | | 1875.65 | 1545.11 |
| Interest Expenses | | | | | 488.39 | 680.71 |
| Interest Income | | | | | 13.6 | 16.08 |
| Income Taxes | | | | | 496.52 | 308.65 |
| Profit From Ordinary Activities | | | | | 904.34 | 571.83 |
| Extraordinary Loss | | | | | -- | -- |
| Net Profit | | | | | 904.34 | 571.83 |
| Other Information | | | | | | |
| Segment Assets | 8415.69 | 7598.67 | 486.34 | 519.84 | 8902.03 | 8118.51 |
| Unallocated Corporate Assets | | | | | 2107.18 | 2353.14 |
| Total Assets | | | | | 11009.21 | 10471.65 |
| Segment Liabilities | 4907.65 | 5250.84 | -- | -- | 4907.65 | 5250.84 |
| Unallocated Corporate Liabilities | | | | | 975.26 | 927.33 |
| Total Liabilities | | | | | 5882.91 | 6178.17 |
| Capital Expenditure | 188.35 | 167.04 | | | 188.35 | 167.04 |
| Depreciation | 278.05 | 270.17 | 34.80 | 34.80 | 312.85 | 304.97 |
| Non-Cash Expenses Other than Depreciation | | | | | 0.00 | 3.00 |

Information About Geographical Segments

| | With in India | | Out side India | | Total | |
|--|---------------|---------------|----------------|---------------|--------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Sales Revenue | 13696.68 | 12926.19 | 1095.49 | 1540.39 | 14792.17 | 14466.58 |
| Segment Assets | 11009.21 | 10471.65 | | | 11009.21 | 10471.65 |
| Cost of Acquire Tangible & Intangible Fixed Assets | 188.35 | 167.04 | | | 188.35 | 167.04 |

- Notes:-**
- i. The basis of inter segments transfers is the rate of power decided by MP State Electricity Board.
 - ii. There are no changes is segment accounting policies.
 - iii. Type of products and services in business segment is as under:-
 - Steel Wire - Tyre Bead Wire
 - Wind Mill - Generation of Electrical Energy
19. In accordance with the Accounting Standard (AS)18 "Related Party Disclosures" issued by The Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standards Rules, 2006 the names of the related parties and the relevant disclosure is as under:-
- (a) Name of the related party and description of relationship:**
- i. Key Management Personnel:
 - 1) Mr. Chandanmal Chordia - Chairman
 - 2) Mr. Sunil Chordia - Managing Director

- 3) Mr. Deepesh Trivedi - Executive Director
- ii. Relatives of Key Managerial Personnel
 - 1) Smt. Shantadevi Chordia W/o Shri Chandanmal Chordia
 - 2) Smt. Sangita Chordia W/o Shri Sunil Chordia
- iii. Companies/entities under the control of Key Management personnel
 - 1) M/s. Rajratan Resources Pvt. Ltd.,
 - 2) M/s. Rajratan Investment Ltd,
 - 3) M/s. Cee Cee Engineering Pvt.Ltd.
- iv Subsidiary
 - 1) M/s. Rajratan Thai Wire Company Ltd., Thailand
- v. Joint Venture
 - 1) M/s. Swaraj Technocraft Pvt Ltd .

The following transaction were carried out with the related parties in the ordinary course of business

| Sr. No. | Transaction | Key Management Personnel | Relatives of Key Management Personnel | Companies/entities under the control of Key Management Personnel | Subsidiary | Joint Venture |
|---------|--|------------------------------|---------------------------------------|--|--------------------------------|-----------------------------|
| 1. | Purchase of Goods | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (11,596/-) | 3,19,679/- (32,51,806/-) |
| 2. | Sale of Goods | NIL (NIL) | NIL (NIL) | NIL (NIL) | 3,83,74,338/- (44,37,778/-) | 1,88,697/- (7,13,180/-) |
| 3. | Purchase of Assets | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 98,84,229/- (77,234/-) |
| 4. | Sale of Assets | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (2,50,470/-) |
| 5. | Unsecured Loan Received | NIL (NIL) | NIL (NIL) | 2,18,24,599/- (1,04,26,939/-) | NIL (NIL) | NIL (NIL) |
| 6. | Investment in Equity Share during the year | NIL (NIL) | NIL (NIL) | NIL (NIL) | 94,29,913/- (2,36,21,350/-) | NIL (NIL) |
| 7. | Dividend Received | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 87,500/- (1,31,250/-) |
| 8. | Remuneration | 58,58,895/- (55,19,683/-) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| 9. | Interest | NIL (NIL) | NIL (NIL) | 9,58,418/- (6,31,681/-) | NIL (NIL) | NIL (NIL) |
| 10. | Rent | NIL (NIL) | 2,16,000/- (2,85,288/-) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| 11. | Job work charges | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 1,03,476/- (4,39,703/-) |

The figures mentioned in the brackets are previous year figures.

20. Earning Per Share

The Company's share capital consists of equity share. The basic and diluted earning per share is calculated as under:

| Sr. No. | Nature of Transaction | This Year | Previous |
|---------|---|-------------|-------------|
| 1. | Number of Shares at the Commencement | 43,51,800 | 43,51,800 |
| 2. | Shares issued during the year | NIL | NIL |
| 3. | No. of Shares at the end of the Year | 43,51,800 | 43,51,800 |
| 4. | Profit After Taxes | 9,09,18,528 | 5,72,67,873 |
| 5. | Extra Ordinary Items (Within the meaning of AS-5, Net Profit or loss for the period, Prior Period items and Changes in the Accounting Policies) | - | - |
| 6. | Basic Earning Per Share | 20.89 | 13.16 |
| 7. | Diluted Earning Per Share | 20.89 | 13.16 |
| 8. | Nominal Value Per Share | 10.00 | 10.00 |

21. In accordance with the Accounting Standard (AS)22 “Accounting for Taxation” issued by The Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standards Rules, 2006 the details of Deferred Tax items are as under:

| | <u>2009-10</u> | <u>2008-09</u> |
|---|-------------------|-------------------|
| <u>Deferred Tax Liabilities:</u> | | |
| (i) On Account of Tax effect on timing difference arising due to difference in Depreciation | 33,040/- | 14,52,484/- |
| (ii) On Account of DTA Created in Earlier Year | 17,95,758/- | 13,06,272/- |
| <u>Deferred Tax Assets:</u> | | |
| On account of tax effect on timing difference arising due to Disallowance U/s 43B | 15,18,887/- | 18,03,447/- |
| Net Deferred Tax Liabilities | 3,09,912/- | 9,55,309/- |

22. In accordance with the Accounting Standard (AS)27 “Accounting for Joint Ventures” issued by The Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standards Rules, 2006 the interest of the company in the Joint Venture is as under:-

- (a) Name of Joint Venture : M/s Swaraj Technocrafts Pvt. Ltd.
 (b) Country of Incorporation : India
 (c) Proportion of Ownership : 50%
 (d) The Company is not incurred any contingent liabilities in respect of interest held in the above named Joint Venture.
 (e) The Company has not entered into any capital commitment in respect of the interest held in the above mentioned Joint Venture.

23. The details and nature of Prior Year adjustments are as under:-

| | <u>2009-10</u> | <u>2008-09</u> |
|--|----------------|----------------|
| Excess provisions of commission earlier years written back | - | 1,21,919/- |
| Income Tax of earlier years | - | (36,312/-) |
| Excess Provision Written back (Bonus) | 1,38,327/- | - |
| Excess Provision written back (Income tax) | 3,31,469/- | - |
| Excess Depreciation Written back (earlier years) | 3432/- | - |
| Export Expenses of Previous Year | 11,000/- | - |

24. Previous Year’s figures have been regrouped and recast wherever considered necessary to make them comparable with the current year’s figures.

**FOR FADNIS AND GUPTE
CHARTERED ACCOUNTANTS**

FOR AND ON BEHALF OF THE BOARD

(CA MANOJ FADNIS)
PARTNER
M.No. 072707

VINEET CHOPRA
COMPANY SECRETARY

SUNIL CHORDIA
MANAGING DIRECTOR

D. TRIVEDI
EXECUTIVE DIRECTOR

Indore
Dated : 05th May 2010

**CASH FLOW FOR THE YEAR ENDED 31.3.2010
PURSUANT TO THE LISTING AGREEMENT WITH STOCK EXCHANGE**

| PARTICULARS | 2009-2010 | 2008-2009 |
|---|-----------------------|----------------------|
| A) CASH FLOW FROM OPERATING ACTIVITIES: | | |
| NET PROFIT BEFORE TAX AND EXTRA ORDINARY | 14,00,87,039 | 8,80,47,411 |
| ITEMS ADJUSTMENT FOR: | | |
| Add: Depreciation | 3,12,85,503 | 3,04,96,911 |
| Share issued exp. W/off | 0 | 3,00,000 |
| Interest & finance charges | 4,88,39,797 | 6,80,70,629 |
| Dividend Income | (87,875) | (1,31,625) |
| Profit/Loss on sale of assets | 14,13,728 | 6,44,827 |
| Prior Period Adjustment | 1,49,327 | 1,21,919 |
| OPERATING PROFIT BEFORE | | |
| WORKING CAPITAL CHANGES: | 22,16,87,519 | 18,75,50,072 |
| ADJUSTMENT FOR: | | |
| Trade and Other Receivables | (9,11,91,816) | (1,23,98,530) |
| Inventories | (96,39,573) | 82,13,591 |
| Trade and other Payables | (73,76,823) | 93,01,182 |
| Increase in Working Capital Limits | 2,10,07,059 | (6,39,312) |
| CASH GENERATED FROM OPERATIONS | 13,44,86,366 | 19,20,27,003 |
| Direct Taxes Paid & Fringe Benefit Tax | (4,70,74,069) | (2,59,52,536) |
| CASH FLOW BEFORE EXTRA ORDINARY ITEMS: | 8,74,12,297 | 16,60,74,467 |
| Extra Ordinary Items (Prior Period) | -- | -- |
| NET CASH FROM OPERATING ACTIVITIES | 8,74,12,297 | 16,60,74,467 |
| B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Sale of fixed assets | 5,95,199 | 12,83,263 |
| Dividend Income | 87,875 | 1,31,625 |
| Purchase of fixed assets | (3,19,78,993) | (95,21,524) |
| Investment in Shares | (91,41,746) | (2,36,21,350) |
| NET CASH FROM INVESTING ACTIVITIES | (4,04,37,665) | (3,17,27,986) |
| C) CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Interest Paid | (4,88,39,797) | (6,80,70,629) |
| Proceeds from Long Term Borrowings | (4,79,49,840) | (1,20,57,726) |
| Dividend Paid | (43,51,800) | (43,51,800) |
| Dividend Tax Paid | (7,39,588) | (7,39,588) |
| | (10,18,81,025) | (8,52,19,743) |
| NET INCREASE / (DECREASE) IN CASH AND | (5,49,06,393) | 4,91,26,738 |
| CASH EQUIVALENTS (A+B+C) | | |
| OPENING BALANCE OF CASH AND CASH EQUIVALENTS | 5,61,86,453 | 70,59,715 |
| CLOSING BALANCE OF CASH AND CASH | 12,80,060 | 5,61,86,453 |
| EQUIVALENTS | | |

FOR AND ON BEHALF OF THE BOARD

Indore
Dated : 05th May 2010

VINEET CHOPRA
COMPANY SECRETARY

SUNIL CHORDIA
MANAGING DIRECTOR

D. TRIVEDI
EXECUTIVE DIRECTOR

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement with the books and records maintained by RAJRATAN GLOBAL WIRE LIMITED and certify that in our opinion and according to the information and explanation given to us, the above statement is in accordance therewith.

Date : 05th May 2010
Indore

FOR FADNIS & GUPTE
CHARTERED ACCOUNTANTS
(CA MANOJ FADNIS)
PARTNER
M.No. 072707

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
FOR THE YEAR ENDED 31st MARCH, 2010**

1. Registration Details

Registration No. State Code
Balance Sheet Date

2. Capital raised during the year (Amount in Rs. Thousand)

Public Issue Right Issue
Bonus issue Private Placement

3. Position of Mobilisation and Development of Funds (Amount in Rs. Thousands)

Total Liabilities Total Assets
Source of funds
Paid-up capital Reserve & Surplus
Secured Loans Unsecured Loans
Deferred Tax
Application of funds
Net Fixed Assets Investments
Net Current Assets Misc. Expenditure
Accumulated Losses

4. Performance of Company (Amount in Rs. Thousand)

Turnover Total Expenditure
Profit/Loss Before Tax Profit/Loss After Tax
Earning per share in Rs. Dividend Rate

5. Generic Names of Three Principal Products/services or Company (as per monetary terms)

Item Code No. (ITC Code) Product Description
Item Code No. (ITC Code) Product Description

FOR AND ON BEHALF OF THE BOARD

VINEET CHOPRA
COMPANY SECRETARY

SUNIL CHORDIA
MANAGING DIRECTOR

D. TRIVEDI
EXECUTIVE DIRECTOR

**STATEMENT PURSUANT TO SEC 212 (3) OF THE COMPANIES ACT FOR
SUBSIDIARY COMPANY**

| Name of the Subsidiary Company | Rajratan Thai Wire Co., Ltd. |
|---|-------------------------------------|
| 1. Financial year ending of the subsidiary | 31.03.2010 |
| 2. Date from which it became subsidiary | 28.11.2006 |
| 3. a) Number of shares held by holding co. with its Nominees at the end of the financial year of the subsidiary (Fully paid Equity Shares of Baht 10/- each) | 1,39,99,930 |
| b) Extent of holding | 99.99% |
| 4. The net aggregate amount of the losses of the subsidiary from the above financial year the subsidiary so as they concern the members of the company which was not dealt with in the account of the company for the year ended 31st March 2010. | Rs. 2,62,35,715/- |
| 5. The net aggregate amount of the losses of the subsidiary, since become a subsidiary so far as they concern the member of the company not dealt with in the account of the company for the year ended 31st March 2010. | Rs. 9,35,81,390/- |

FOR AND ON BEHALF OF THE BOARD

Place : Indore
Dated : 5th May 2010

VINEET CHOPRA
COMPANY SECRETARY

SUNIL CHORDIA
MANAGING DIRECTOR

D. TRIVEDI
EXECUTIVE DIRECTOR

AUDITOR'S REPORT

The Board of Directors
RAJRATAN GLOBAL WIRE LIMITED
INDORE

1. We have audited the attached Consolidated Balance Sheet of M/S RAJRATAN GLOBAL WIRE LTD., Indore as at 31st March 2010 and also the Consolidated Profit & Loss Account and the for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Management of Rajratan Global Wire Limited. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respect, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statement of the wholly owned subsidiary Rajratan Thai Wire Co. Ltd. Thailand, whose financial statements reflect total assets (net) of Rs.54,30,40,894/- as at March 31, 2010, total revenues of Rs.40,89,55,694/- and net cash inflows amounting to Rs. 41,80,412/- for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by the company's management in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standard Rules 2006.
5. On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of Rajratan Global Wire Limited and its aforesaid subsidiary, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i) In the case of the Consolidated Balance Sheet, of the Consolidated state of affairs of Rajratan Global Wire Ltd and its subsidiary as at 31st March 2010;
 - ii) In the case of the Consolidated Profit and Loss Account, of the Consolidated profit of the operations of Rajratan Global Wire Limited and its subsidiary for the year ended on that date; and
 - iii) In the case of the Consolidated Cash Flow Statement, of the Consolidated cash flows of Rajratan Global Wire Limited and its subsidiary for the year ended on that date.

For Fadnis & Gupte
Chartered Accountants

INDORE - 452 001
DATED - 05.05.2010

(CA.Manoj Fadnis)
Partner
M.No. 072707

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010

| PARTICULARS | SCHEDULE | MARCH 31, 2010 (AMT. IN RS.) | MARCH 31, 2009 (AMT. IN RS.) |
|---|--------------|---------------------------------|---------------------------------|
| I. SOURCES OF FUNDS | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | I | 4,35,18,000 | 4,35,18,000 |
| (b) Reserves and Surplus | II | 39,36,71,668 | 33,83,48,488 |
| (2) Loan Funds | | | |
| (a) Secured Loans | III | 83,84,00,766 | 85,91,88,399 |
| (b) Unsecured Loans | IV | 4,88,94,085 | 3,90,12,449 |
| (3) Deferred Tax Liability | | | |
| | V | 8,39,38,851 | 8,36,28,939 |
| | TOTAL | 1,40,84,23,370 | 1,36,36,96,275 |
| II. APPLICATION OF FUNDS | | | |
| (1) Fixed assets | | | |
| (a) Gross Block | VI | 1,10,96,75,324 | 1,09,32,82,541 |
| (b) Less: Accumulated Depreciation | | 25,16,46,617 | 19,49,71,058 |
| (c) Net Block | | 85,80,28,707 | 89,83,11,483 |
| (d) Capital Work-in-Progress | | 3,27,05,356 | 39,61,718 |
| (2) Investment | | | |
| | VII | 20,10,000 | 20,10,000 |
| (3) Current Assets, Loans and Advances | | | |
| (a) Inventories | VIII | 14,25,26,240 | 9,72,70,173 |
| (b) Sundry Debtors | IX | 37,00,64,934 | 29,88,47,375 |
| (c) Cash & Bank Balances | X | 64,89,839 | 5,72,15,820 |
| (d) Other Current Assets | XI | 8,491 | 5,041 |
| (e) Loans And Advances | XII | 7,95,21,573 | 5,79,57,368 |
| | | 59,86,11,077 | 51,12,95,777 |
| Less: Current Liabilities & Provisions | | | |
| (a) Liabilities | XIII | 6,93,44,687 | 4,27,78,703 |
| (b) Provisions | | 1,35,87,083 | 91,04,000 |
| Net Current Assets | | 51,56,79,307 | 45,94,13,074 |
| | TOTAL | 1,40,84,23,370 | 1,36,36,96,275 |

Notes on Accounts

XXI

The schedules and notes on accounts referred to herein form part of Balance Sheet

As per our Report of even date attached.

**FOR FADNIS AND GUPTE
CHARTERED ACCOUNTANTS**

FOR AND ON BEHALF OF THE BOARD

(CA MANOJ FADNIS)
PARTNER
M.No. 072707

VINEET CHOPRA
COMPANY SECRETARY

SUNIL CHORDIA
MANAGING DIRECTOR

D. TRIVEDI
EXECUTIVE DIRECTOR

Indore
Dated : 05th May 2010

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2010

| PARTICULARS | SCHEDULE | MARCH 31, 2010 (AMT. IN RS.) | MARCH 31, 2009 (AMT. IN RS.) |
|---|--------------|---------------------------------|---------------------------------|
| INCOME | | | |
| Sales | XIV | 1,95,32,53,053 | 1,75,49,75,654 |
| Less: Excise Duty | | 10,99,64,368 | 16,82,81,557 |
| Net Sales | | <u>1,84,32,88,685</u> | <u>1,58,66,94,097</u> |
| Other Income | XV | 90,98,951 | 53,46,822 |
| Increase/(Decrease) in Inventory | | 1,76,36,369 | (68,603) |
| | TOTAL | <u>1,87,00,24,005</u> | <u>1,59,19,72,316</u> |
| EXPENDITURE | | | |
| Raw Material Consumed | | 1,14,65,72,600 | 1,11,29,16,903 |
| Cost of Traded Goods | | 8,67,41,367 | 11,99,122 |
| Manufacturing Expenses | XVI | 23,09,97,985 | 16,84,29,361 |
| Payment to & for Employees | XVII | 7,78,82,076 | 6,24,23,257 |
| Administrative Expenses | XVIII | 2,12,94,005 | 1,83,86,454 |
| Selling Expenses | XIX | 5,99,36,489 | 6,39,27,027 |
| Interest & Financial Charges | XX | 7,26,22,840 | 8,59,94,552 |
| Depreciation | | 6,01,25,319 | 4,92,93,656 |
| | TOTAL | <u>1,75,61,72,681</u> | <u>1,56,25,70,332</u> |
| PROFIT BEFORE TAX | | 11,38,51,324 | 2,94,01,984 |
| Less: Tax Expenses | | | |
| Current Tax | | 4,93,42,923 | 2,96,99,026 |
| Deferred Tax | | 3,09,912 | 9,55,309 |
| Fringe Benefit Tax | | 0 | 2,10,810 |
| Prior Period Adjustments | | (4,84,228) | (85,607) |
| PROFIT AFTER TAX | | 6,46,82,717 | (13,77,554) |
| Add: Balance brought forward from Previous Year | | (5,93,36,712) | 9,87,178 |
| PROFIT AVAILABLE FOR APPROPRIATION | | <u>53,46,005</u> | <u>(3,90,376)</u> |
| APPROPRIATION | | | |
| Transferred to General Reserve | | 5,00,00,000 | 5,00,00,000 |
| Proposed Dividend (Subject to Approval of Shareholders) | | 65,27,700 | 43,51,800 |
| Dividend Tax | | 11,09,383 | 7,39,588 |
| Balance Carried to Balance Sheet | | <u>(5,22,91,078)</u> | <u>(5,54,81,763)</u> |
| | TOTAL | <u>53,46,005</u> | <u>(3,90,376)</u> |
| Earning per equity Share of Rs. 10 each (Basic) | | 15 | (0.32) |
| Earning per equity Share of Rs. 10 each (Diluted) | | 15 | (0.32) |

Notes on Accounts

XXI

The schedules and notes on accounts referred to herein form part of Profit & Loss Account.

As per our Report of even date attached.

**FOR FADNIS AND GUPTA
CHARTERED ACCOUNTANTS**

FOR AND ON BEHALF OF THE BOARD

(CA MANOJ FADNIS)
PARTNER
M.No. 072707

**VINEET CHOPRA
COMPANY SECRETARY**

**SUNIL CHORDIA
MANAGING DIRECTOR**

**D. TRIVEDI
EXECUTIVE DIRECTOR**

Indore
Dated : 05th May 2010

**SCHEDULES ATTACHED TO AND FORMING PART OF CONSOLIDATED
BALANCE SHEET AS AT 31ST MARCH, 2010**

| PARTICULARS | MARCH 31, 2010 (AMT. IN RS.) | MARCH 31, 2009 (AMT. IN RS.) |
|---|---------------------------------|---------------------------------|
| <u>SCHEDULE-I</u> | | |
| <u>SHARE CAPITAL</u> | | |
| Authorised: | | |
| 80,00,000 Equity Shares of Rs.10/-each (Previous year 80,00,000 Equity Share of Rs.10/- each) | <u>8,00,00,000</u> | <u>8,00,00,000</u> |
| Issued, Subscribed and Paid up: | | |
| 43,51,800 Equity Share Rs.10/- each fully paid up (Previous Year 43,51,800 Equity Share of Rs.10/- each Fully Paid up) | <u>4,35,18,000</u> | <u>4,35,18,000</u> |
| <u>SCHEDULE-II</u> | | |
| <u>RESERVES & SURPLUS</u> | | |
| Capital Reserve: | | |
| 1. State Investment Subsidy | 15,00,000 | 15,00,000 |
| 2. Share Premium | 8,39,85,200 | 8,39,85,200 |
| 3. General Reserve: | | |
| As per Last Balance Sheet | 29,00,00,000 | 24,00,00,000 |
| Add: Transferred from Profit & Loss account | 5,00,00,000 | 5,00,00,000 |
| | <u>34,00,00,000</u> | <u>29,00,00,000</u> |
| 4. Foreign Currency Translation Reserve | 2,04,77,546 | 1,83,45,051 |
| 5. Profit & Loss Account | <u>(5,22,91,078)</u> | <u>(5,54,81,763)</u> |
| TOTAL | <u>39,36,71,668</u> | <u>33,83,48,488</u> |
| <u>SCHEDULE-III</u> | | |
| <u>SECURED LOANS</u> | | |
| A. Term Loans | | |
| 01. State Bank of India, Commercial Branch Indore | 13,60,51,179 | 18,41,10,499 |
| 02. Industrial Development Bank of India Ltd Indore | 0 | 35,00,000 |
| 03. Technology Development Board, Delhi | 0 | 43,00,000 |
| 04. Bank of Ayudhya, (Thailand) | 23,73,48,000 | 24,40,34,100 |
| 05. TISCO Bank against Hypothecation of Cars | 3,12,113 | 7,05,954 |
| 06. ICICI Bank Ltd. Foreign Currency Term Loan | 6,12,77,227 | 7,63,35,579 |
| 07. Bank of Ayudhya Housing Loan | 61,38,708 | 71,57,620 |
| B. Working Capital Loan from State Bank of India Commercial Branch, Indore | | |
| 01. Cash Credit Loan a/c | 9,94,06,858 | 10,17,91,681 |
| 02. Export Bill Discounting | 0 | 19,57,667 |
| 03. Export Packing Credit | 39,83,521 | 32,59,410 |
| 04. Foreign Currency Demand Loan | 9,13,58,578 | 5,07,80,945 |
| C. Working Capital Loan From Industrial Development Bank of India Ltd. Indore | | |
| 01. Cash Credit Loan | 55,10,922 | 6,19,82,354 |
| 02. Short Term Loan | 3,75,00,000 | 2,00,00,000 |
| 03. IDBI Bank Buyers Credit | 2,30,19,236 | -- |
| D. Working Capital Loan From Bank of Ayudhya | | |
| 01. Working Capital Loan From Bank of Ayudhya | 0 | 40,40,807 |
| 02. T/R Loan From Bank of Ayudhya | 2,92,93,851 | 3,35,05,153 |
| E. Working Capital Loan from Bank of Ayudhya | | |
| | 8,88,32,000 | 4,13,85,900 |
| F. Sales Tax Interest Free Loan (MPSIDC) | | |
| | 1,72,23,072 | 2,03,40,730 |
| G. HDFC Bank Ltd. (Car Loan) | | |
| | <u>11,45,501</u> | <u>--</u> |
| TOTAL | <u>83,84,00,766</u> | <u>85,91,88,399</u> |

SECURITY:

- A. Term loans are secured by way of an equitable mortgage of immovable properties ranking pari passu amongst the lenders and by a first charge by way of hypothecation of all the company's movable machinery, present and future, subject to prior charges created in favour of Company's Banker on the stock of raw materials, goods in process, finished and manufactured goods and Book Debts towards security for working capital facilities. Term loans are also secured by personal guarantee of the managing director.
- B. Working Capital advances from Banks are secured by hypothecation of company's stock and book debts, present and future and by a second charge on all the immovable properties of the company and plant and machinery, machinery spares, tools and accessories and other movables both present and future. Such advances are also secured by personal guarantees of the managing director.
- C. Charge was created in favour of Madhya Pradesh State Industrial Development Corporation Ltd. ranking pari-passu on fixed assets with other financial institution, Bank, Technology Development Board towards part of deferred sales tax liability during the year. Hence part of the amount has been considered as secured loan.
- D. Vehicle Loan Secured by Hypothecation of Car.

SCHEDULE-IV

UNSECURED LOANS

| | | |
|--------------------------------|--------------------|--------------------|
| 01. Corporate Bodies | 4,30,09,555 | 3,31,27,919 |
| 02. Sales Tax Deferment Scheme | 58,84,530 | 58,84,530 |
| Total | 4,88,94,085 | 3,90,12,449 |

SCHEDULE-V

DEFERRED TAX LIABILITY

| | | |
|--------------------------|--------------------|--------------------|
| As Per Last Year | 8,36,28,939 | 8,26,73,630 |
| Provided during the year | 3,09,912 | 9,55,309 |
| | 8,39,38,851 | 8,36,28,939 |

SCHEDULE – VI : FIXED ASSETS

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | | NET BLOCK | |
|--------------------------|-------------------|---------------------------|---------------------------------|--|-------------------|------------------|-----------------|-----------------|--|------------------|-------------------|-------------------|
| | As On 01.04.09 | Additions for the year | Deduction during the year | Adjustment on A/c of Foreign Currency | As On 31.03.10 | Upto 31.03.09 | For the year | Written Back | Adjustment on A/c of Foreign Currency | Upto 31.03.10 | As On 31.03.10 | As On 31.03.09 |
| FREE HOLD LAND | 1872701 | 0 | 0 | 0 | 1872701 | 0 | 0 | 0 | 0 | 0 | 1872701 | 1872701 |
| LEASE HOLD LAND | 2003199 | 0 | 0 | 0 | 2003199 | 0 | 0 | 0 | 0 | 0 | 2003199 | 2003199 |
| LAND & LAND DEVELOPMENT | 57612372 | 0 | 0 | -1578476 | 56033896 | 0 | 0 | 0 | 0 | 0 | 56033896 | 57612372 |
| SITE DEVELOPMENT | 14296293 | 113717 | 0 | 0 | 14410010 | 1076389 | 234667 | 0 | 0 | 1311056 | 13098954 | 13219904 |
| FACTORY BUILDING & SHED | 159513840 | 1609633 | 0 | -2708908 | 158414565 | 18952844 | 5936211 | 0 | 77406 | 24966461 | 133448104 | 140343525 |
| RESIDENTIAL BUILDING | 11241925 | 0 | 0 | -308009 | 10933916 | 639400 | 443087 | 0 | 32314 | 1114801 | 9819115 | 10545397 |
| PLANT & MACHINERY | 720401930 | 27147769 | 3591841 | -8348820 | 735609038 | 137245631 | 45701351 | 1664708 | 304619 | 181586894 | 554022144 | 582124198 |
| E.T.P. & MACHINERY | 3830247 | 106886 | 0 | 0 | 3937133 | 1819869 | 203178 | 0 | 0 | 2023047 | 1914086 | 2010378 |
| ELECTRICAL INSTILLATION | 25519476 | 24336 | 30000 | 0 | 25513811 | 7476365 | 1346166 | 3432 | 0 | 8819099 | 16694712 | 18043111 |
| OFFICE EQUIPMENTS | 6971192 | 1021640 | 19217 | -123871 | 7849744 | 1698186 | 843967 | 8080 | 35706 | 2569779 | 5279965 | 5206091 |
| FURNITURE & FIXTURES | 8210162 | 119697 | 0 | 0 | 8329859 | 2722426 | 522391 | 0 | 0 | 3244817 | 5085042 | 5487736 |
| VEHICLES | 7057536 | 3792536 | 928750 | -102337 | 9818984 | 2221237 | 759324 | 823492 | 65298 | 2222367 | 7596617 | 4744517 |
| COMPUTER & PERIPHERALS | 3239483 | 196800 | 0 | 0 | 3436283 | 2490517 | 287928 | 0 | 0 | 2778445 | 657838 | 748966 |
| ERP SOFTWARE | 1030781 | 0 | 0 | 0 | 1030781 | 699733 | 167089 | 0 | 0 | 866822 | 163959 | 331048 |
| R & D ASSETS | | | | | | | | | | | | |
| BUILDING | 999556 | 0 | 0 | 0 | 999556 | 203012 | 33385 | 0 | 0 | 236397 | 763159 | 796544 |
| EQUIPMENTS | 2838312 | 0 | 0 | 0 | 2838312 | 1165012 | 134820 | 0 | 0 | 1299832 | 1538480 | 1673300 |
| FURNITURE & FIXTURE | 504087 | 0 | 0 | 0 | 504087 | 183737 | 31909 | 0 | 0 | 215647 | 288440 | 320350 |
| WIND MILL PROJECT | | | | | | | | | | | | |
| FREE HOLD LAND | 233277 | 0 | 0 | 0 | 233277 | 0 | 0 | 0 | 0 | 0 | 233277 | 233277 |
| WIND MILL PLANT | 65906172 | 0 | 0 | 0 | 65906172 | 14911306 | 3479846 | 0 | 0 | 18391153 | 47515019 | 50994866 |
| TOTAL | 1093282541 | 34133013 | 4569808 | -13170422 | 1109675324 | 193505664 | 60125319 | 2499712 | 515343 | 251646617 | 858028707 | 898311483 |
| PREVIOUS YEAR | 662781385 | 426610883 | 4424737 | 8315010 | 1093282541 | 146708658 | 49293657 | 2496647 | 1465394 | 194971058 | 898311483 | 516072727 |
| CAPITAL | | | | | | | | | | | | |
| WORK IN PROGRESS | 3961718 | 32705356 | 3961718 | 0 | 32705356 | 0 | 0 | 0 | 0 | 0 | 32705356 | 3961718 |

**SCHEDULES ATTACHED TO AND FORMING PART OF
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010**

| PARTICULARS | MARCH 31, 2010 (AMT. IN RS.) | MARCH 31, 2009 (AMT. IN RS.) |
|---|---|---|
| <u>SCHEDULE-VII</u> | | |
| <u>INVESTMENT</u> | | |
| LONG TERM-AT COST (NON TRADE) | | |
| UNQUOTED EQUITY SHARES | | |
| 01. 87,500 Equity Shares in Swaraj Technocraft Pvt. Ltd. of Rs.10/- each.(Total 87,500 Shares of which 50,000 Shares acquired at par at Rs.10/- each and 37,500 Shares acquired at Rs.40/- each including premium of Rs.30/- per share) | 20,00,000 | 20,00,000 |
| 02. 250 Equity Shares of Rs.10/- each of The Shyamrao Vitahldas Co-operative Society Ltd., Mumbai (Fully Paid up) | 2,500 | 2,500 |
| 03 National Saving Certificate | 7,500 | 7,500 |
| | <u>20,10,000</u> | <u>20,10,000</u> |
| <u>CURRENT ASSETS LOANS AND ADVANCES</u> | | |
| <u>SCHEDULE-VIII</u> | | |
| <u>INVENTORIES</u> | | |
| 01. Raw Materials | 5,30,74,798 | 3,31,28,922 |
| 02. Work-In-Progress | 1,03,42,587 | 1,33,65,529 |
| 03. Stores and Spare Parts | 1,65,37,960 | 1,41,52,197 |
| 04. Finished Goods | 4,52,78,941 | 2,46,19,630 |
| 05. Ancillary Raw Material | 1,72,40,454 | 1,20,03,895 |
| 06. Trading Stock of Thailand | 51,500 | -- |
| TOTAL | <u>14,25,26,240</u> | <u>9,72,70,173</u> |
| <u>SCHEDULE-IX</u> | | |
| <u>SUNDRY DEBTORS</u> | | |
| Debts unsecured & Considered good | | |
| a) Outstanding for a period exceeding 6 month | 51,31,778 | 59,31,778 |
| b) Other debts: | 36,49,33,156 | 29,29,15,597 |
| TOTAL | <u>37,00,64,934</u> | <u>29,88,47,375</u> |
| <u>SCHEDULE-X</u> | | |
| <u>CASH & BANK BALANCES</u> | | |
| A. Cash Balance on hand including foreign currency | 7,25,320 | 7,65,397 |
| B. Balances with Scheduled Banks | | |
| a) In Current Account | 54,57,335 | 5,61,77,960 |
| b) In Fixed Deposits Account | 3,07,184 | 2,72,463 |
| TOTAL | <u>64,89,839</u> | <u>5,72,15,820</u> |
| <u>SCHEDULE-XI</u> | | |
| <u>OTHER CURRENT ASSETS</u> | | |
| a) Interest Accrued on Fixed Deposits | 8,491 | 5,041 |
| TOTAL | <u>8,491</u> | <u>5,041</u> |

SCHEDULES ATTACHED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

| PARTICULARS | MARCH 31, 2010 (AMT. IN RS.) | MARCH 31, 2009 (AMT. IN RS.) |
|--|---|---|
| <u>SCHEDULE-XII</u> | | |
| <u>LOANS AND ADVANCES</u> | | |
| a) Advance recoverable in cash or in kind or for to be received | 7,71,93,165 | 5,61,28,343 |
| b) Balance With Central Excise Authorities | 23,28,408 | 18,29,025 |
| TOTAL | <u>7,95,21,573</u> | <u>5,79,57,368</u> |
| <u>SCHEDULE – XIII</u> | | |
| <u>CURRENT LIABILITIES & PROVISIONS</u> | | |
| D) CURRENT LIABILITIES | | |
| (i) Sundry Creditors | | |
| (a) Total Outstanding dues of Micro Economics & Small Enterprises | 0 | 0 |
| (b) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 4,81,02,689 | 2,56,91,553 |
| (ii) Unpaid Dividend | 3,33,587 | 2,88,625 |
| (iii) Other Liabilities | 2,09,01,048 | 1,67,45,511 |
| (iv) Interest Accrued But Not Due on Loans | 7,363 | 53,014 |
| TOTAL (A) | <u>6,93,44,687</u> | <u>4,27,78,703</u> |
| E) PROVISIONS : | | |
| (i) Income Tax | 59,50,000 | 39,91,802 |
| (ii) Fringe Benefit Tax (Net of Advance Tax) | -- | 20,810 |
| (iii) Proposed Dividend | 76,37,083 | 50,91,388 |
| TOTAL (B) | <u>1,35,87,083</u> | <u>91,04,000</u> |
| TOTAL (A+B) | <u>8,29,31,770</u> | <u>5,18,82,703</u> |
| <u>SCHEDULE-XIV</u> | | |
| <u>SALES</u> | | |
| I) Sale of Manufactured Product | 1,90,36,57,328 | 1,74,91,34,681 |
| II) Sale of Trading Goods | 4,95,95,725 | 6,31,102 |
| III) Sale of Carbon Credit | -- | 52,09,871 |
| TOTAL | <u>1,95,32,53,053</u> | <u>1,75,49,75, 654</u> |
| <u>SCHEDULE-XV</u> | | |
| <u>OTHER INCOME</u> | | |
| I) Interest Income | 13,60,082 | 16,34,218 |
| II) Dividend from Long Term Investment | 87,875 | 1,31,625 |
| III) Other Operating Income | 76,50,994 | 35,80,979 |
| TOTAL | <u>90,98,951</u> | <u>53,46,822</u> |

**SCHEDULES ATTACHED TO AND FORMING PART OF
CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

| PARTICULARS | MARCH 31, 2010 (AMT. IN RS.) | MARCH 31, 2009 (AMT. IN RS.) |
|--|---------------------------------|---------------------------------|
| <u>SCHEDULE – XVI</u> | | |
| <u>MANUFACTURING EXPENSES</u> | | |
| Power & Fuel | 14,28,57,397 | 10,55,33,602 |
| Less:- Recovery of Energy Generated by Windmills | (-) 1,10,26,534 | (-) 1,10,26,534 |
| | <u>13,18,30,863</u> | <u>9,45,07,068</u> |
| Consumable Stores | 3,17,69,630 | 1,67,63,417 |
| Packing Material | 2,25,96,498 | 1,65,68,021 |
| Freight Inwards | 93,40,968 | 93,03,653 |
| Entry Tax | 5,20,427 | 3,56,423 |
| Water Charges | 8,58,806 | 4,14,006 |
| Material Testing Charges | 92,779 | 94,212 |
| Factory Expenses | 20,87,484 | 12,93,427 |
| Research & Development Expenses | 1,68,050 | 2,71,617 |
| Effluent Treatment Plant Expenses | 31,01,980 | 18,50,708 |
| Repair & Maintenance | | |
| - To Plant & Machinery | 2,41,88,323 | 2,40,48,646 |
| - To Building | 23,08,222 | 9,34,167 |
| - To Furniture | 22,678 | 11,599 |
| Wind Mill Maintenance | 17,05,167 | 16,35,199 |
| Lease Rent & Development Charges to MPAKVN | 4,06,110 | 3,77,198 |
| TOTAL | <u>23,09,97,985</u> | <u>16,84,29,361</u> |
| <u>SCHEDULE – XVII</u> | | |
| <u>PAYMENT TO & FOR EMPLOYEES</u> | | |
| Salaries, Wages, Bonus & Allowances | 6,91,02,000 | 5,20,87,238 |
| Contribution to Provident Fund | 32,40,986 | 29,02,409 |
| Contributions to ESIC | 9,43,463 | 9,09,778 |
| Staff Welfare Expenses | 37,22,921 | 24,59,998 |
| Contributions to Gratuity Fund | 2,79,647 | 35,21,969 |
| Medical Expenses Reimbursement | 5,93,059 | 5,41,865 |
| TOTAL | <u>7,78,82,076</u> | <u>6,24,23,257</u> |
| <u>SCHEDULE- XVIII</u> | | |
| <u>ADMINISTRATIVE EXPENSES</u> | | |
| Telephone & Postage | 12,91,209 | 11,63,824 |
| Stationary & Printing | 7,80,177 | 6,19,046 |
| Travelling Expenses | | |
| - Directors | 2,46,040 | 5,20,891 |
| - Others | 16,59,398 | 14,29,432 |
| - Foreign Travel Expenses | 5,93,371 | 8,22,393 |
| Conveyance Expenses | 9,13,569 | 8,61,536 |
| Auditor's Remuneration | | |
| - Statutory Audit | 2,76,557 | 2,31,572 |
| - Tax Audit | 50,000 | 50,000 |
| - Certification Charges | 25,000 | 25,000 |

**SCHEDULES ATTACHED TO AND FORMING PART OF
CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

| PARTICULARS | MARCH 31, 2010 (AMT. IN RS.) | MARCH 31, 2009 (AMT. IN RS.) |
|---|---|---|
| Internal Audit | 1,00,000 | 1,00,000 |
| Vehicle Maintenance | 12,67,643 | 7,98,294 |
| Remuneration to Directors | | |
| - Managing Director | 35,00,000 | 35,00,000 |
| - Executive Director | 45,33,201 | 38,96,824 |
| Directors Meeting Fees | 52,500 | 70,000 |
| Office Expenses | 2,20,882 | 1,41,542 |
| Office Rent | 4,77,867 | 7,63,513 |
| Legal & Professional charges | 25,56,337 | 13,11,636 |
| Insurance Charges | 5,71,692 | 6,86,882 |
| Garden Expenses | 83,296 | 54,440 |
| Membership, Registration & Subscription | 1,07,649 | 2,05,976 |
| Newspaper, books & periodicals | 84,431 | 55,118 |
| Professional Tax | 2,500 | 2,500 |
| Property Tax | 1,96,254 | 1,26,710 |
| Donations | 1,79,262 | 4,498 |
| Loss on Sale of Assets | 14,25,170 | 6,44,827 |
| Share issue expenses written off | 0 | 3,00,000 |
| TOTAL | 2,12,94,005 | 1,83,86,454 |

SCHEDULE – XIX

SELLING EXPENSES

| | | |
|---------------------------------|--------------------|--------------------|
| Freight Outwards | 3,06,62,701 | 2,59,51,470 |
| Export Expenses | 2,53,33,605 | 3,02,56,173 |
| Service Tax on freight outwards | 6,91,413 | 14,28,738 |
| Advertisement Expenses | 7,17,362 | 4,40,349 |
| Transit Insurance | 6,30,018 | 4,63,923 |
| Commission on Sales | 11,28,884 | 41,70,519 |
| Sales Promotion | 2,30,477 | 4,31,445 |
| Sales Tax for earlier year | 3,13,649 | 3,55,865 |
| Bad Debts Written Off | 2,28,380 | 4,28,545 |
| TOTAL | 5,99,36,489 | 6,39,27,027 |

SCHEDULE-XX

INTEREST AND FINANCIAL CHARGES

| | | |
|---|--------------------|--------------------|
| Interest on Term Loan | 3,11,47,124 | 3,30,16,768 |
| Interest on CC Loan | 2,72,82,148 | 3,71,64,782 |
| On Unsecured Loans | 34,35,531 | 28,60,190 |
| Bank Commission & Charges | 85,56,634 | 73,42,999 |
| Premium on FCNR Forward Booking for Demand Loan | 22,01,403 | 21,67,182 |
| Exchange Difference Fluctuation | -- | 34,42,631 |
| TOTAL | 7,26,22,840 | 8,59,94,552 |

SCHEDULE – XXIII

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1. (a) Background :

Rajratan Thai Wire Company Limited is a wholly owned subsidiary of Rajratan Global Wire Limited.

(b) Basis of Consolidation & Translation of foreign currency:

- (i) Rajratan Global Wire Limited has established a wholly owned subsidiary Rajratan Thai Wire Company Limited in Thailand for manufacturing and trade of tyre bead wire and metal products. At the reporting date, this has resulted in an increase in assets by Rs.34,77,59,582/- and reduction in net profit before tax is Rs.2,62,35,715/-.
- (ii) The accompanying financial statements have been prepared in Indian rupees being the national currency of India.
- (iii) The consolidated financial statements of the group have been prepared based on a line-by-line consolidation of the financial statements of Rajratan Global Wire Limited and its subsidiary. All material inter-Group balances and transactions are eliminated on consolidation.

Assets and Liabilities of subsidiary are translated into Indian Rupees at the exchange rate of 1 Thai Baht = 1.388 INR prevailing as at the Balance Sheet date. Revenues and expenses are translated into Indian Rupee at average rate of 1 Thai Baht =1.4061874 INR and the resulting net exchange differences are accumulated in Foreign Currency Translation Reserve, as the Operations of the subsidiary are considered as Non-Integral Foreign operations.

- (v) The net difference on account of translation of investment in subsidiary in the Indian Currency, at the reporting date, amounting to Rs.1,79,14,654/- is also considered as part of Foreign Currency Translation Reserve.

2. Significant Accounting Policies of Rajratan Group

2.1 Basis of Preparation of Financial Statements

The financial statements of Rajratan Global Wire Ltd. are prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI'), The Companies Accounting Standard Rules, 2006 and relevant provisions of Companies Act, 1956 ("the Act") to the extent applicable.

The financial statements of Rajratan Thai Wire Co.Ltd. have been prepared and presented in accordance with Accounting Standards enunciated under the Accounting Profession Act, Thailand. The presentation of the financial statement has been made in compliance with the stipulation of the Notification of the department of Business Development Dated 14 September 2001, issued under the Accounting Act, Thailand.

2.2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3 Fixed assets and depreciation

Fixed assets of Rajratan Global Wire Ltd. are stated at acquisition cost less accumulated depreciation. The cost of fixed assets comprises its purchase price including import duties and other non-refundable taxes or levies and any directly, attributable cost of bringing the asset to the working condition for its intended use.

Depreciation of Rajratan Global Wire Ltd. is provided on the straight-line method ('SLM') as per the depreciation rates prescribed in Schedule XIV of the Indian Companies Act, 1956.

The Fixed Assets of Rajratan Thai Wire Co. Ltd. are stated at cost less accumulated depreciation and allowance for impairment loss. Depreciation of plant & equipment is calculated by reference to their cost on Straight Line Basis over the estimated useful life as follows:-

| <u>Particulars</u> | <u>Years</u> |
|---|--------------|
| 1) Building & Improvement (Factory & Residential) | - 25 |
| 2) Plant, Machinery & Equipments | - 13 |
| 3) Furniture & Fixture | - 10 |
| 4) Vehicles | - 10 |
| 5) Office Equipments | - 5 |

Capital Work-In-Progress includes the cost of fixed assets that are not ready to use at the balance sheet date and advances paid to acquire capital assets before the balance sheet date.

Depreciation included in Consolidated Profit and Loss Account of Rs.6,01,25,319/- (Previous Year Rs.4,92,93,656/-) consists of:-

| | Holding Company | Subsidiary Company | Total |
|---------------|------------------------|---------------------------|---------------|
| Current Year | 3,12,85,503/- | 2,88,39,816/- | 6,01,25,319/- |
| Previous Year | 3,04,96,911/- | 1,87,96,745/- | 4,92,93,656/- |

2.4 Intangible Assets

Intangible Assets comprise of ERP Software. Depreciation is charged @16.21%, being the rate prescribed for Data Processing Machines including computer in Schedule XIV to the Indian Companies Act, 1956.

2.5 Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or a group of assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit & loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

2.6 Investments

Investments classified as long term investment are carried at cost. Provision for diminution, if any, is made to recognize a decline other than temporary, in the value of the investment.

Investment in Rajratan Thai Wire Ltd., Thailand, being a non-monetary item which is carried in terms of historical cost denominated in Thai Baht, is reported using the exchange rate at the date of transaction.

2.7 Inventories

- (a) Inventories are valued at cost or net realizable value whichever is lower.
- (b) The cost of inventories comprise all costs of purchase including duties and taxes (other than those subsequently recoverable from the taxing authorities), conversion cost and other costs incurred in bringing the inventories to their present location and condition.
- (c) The cost formulas used are Weighted Average Cost in case of Raw Material and First-in- First Out ('FIFO') in case of Ancillary Raw Material , Consumable Spare.
- (e) Excise Duty is included in the value of finished goods inventory.

2.8 Revenue recognition

- (a) Revenue from sale of products is recognized on transfer of all significant risk and rewards of ownership of products to the customers, which is generally on dispatch of goods. Sales are stated exclusive of Value Added Tax.
- (b) Dividend income is recognized when the right to receive the dividend is established.
- (c) Interest income is recognized on the time proportion basis.
- (d) Export incentives receivable are accrued for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds.

2.9 Employee Benefits

a) Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and short term compensated absences, etc. are recognized in the period in which the employee renders the related services.

b) Post- Employment Benefits

i) **Defined Contribution Plans:** The Employee State Insurance Scheme and Contributory Provident Fund administered by Provident Fund Commissioner are defined contribution plans. The Company's contribution paid/payable under the schemes is recognized as expense in the profit and loss account during the period in which the employee renders the related service.

ii) **Defined Benefit Plans:** The Company has taken Group Gratuity and Cash Accumulation Policy issued by the Life Insurance Corporation of India (LIC). The present value of the obligation under such defined benefit plans is determined based on actuarial valuation as advised by LIC, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, are as advised by LIC.

Actuarial gains and losses are recognized immediately in the Profit & Loss Account.

2.10 Foreign Currency Transactions

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account of the year.

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the closing exchange rate and the resultant exchange differences are recognized in the profit and loss account.

The premium or the discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculation purpose is amortized as expense or income over the life of the contract.

2.11 Borrowing Costs

The borrowing costs that are directly attributable to the acquisition, construction or productions of a qualifying asset are capitalized as part of the cost of that asset. The amount of borrowing cost eligible for capitalization is determined in accordance with Accounting Standard (AS) 16- Borrowing Costs issued by the Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standard Rules 2006.

2.12 Research and development

Expenditure on research phase is recognized as an expense when it is incurred. Expenditure on development phase is recognized as an intangible asset if it is likely to generate probable future economic benefits.

2.13 Earning Per Share

Basic and diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year. There are no diluted potential equity share.

2.14 Provisions for contingencies

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the company recognizes it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Disclosures for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources when there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Contingent assets are not recognized in the financial statements.

2.15 Consolidation

The Consolidation procedures adopted are as specified in Accounting Standard (AS) 21 "Consolidated Financial Statement" issued by the Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standard Rules, 2006.

3. In the opinion of the Board of Directors of the Company, the Current Assets, Loans and Advances have a value realizable in the ordinary course of business at least equal to the amount at which they are stated and provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary.

4. Contingent liabilities

- a) Bank Guarantees given by Bank NIL (Previous Year Rs.6,76,000/-) .
- b) The company has given the Corporate Guarantee to ICICI Bank Ltd. for the credit facilities availed by M/s Rajratan Thai Wire Co.Ltd, Thailand the wholly owned subsidiary of the company: USD 12.3 Million
- c) The following demands have been raised by the Income Tax department against the company after assessment for the respective years. The company has filed appeals before the appropriate authorities against such assessment orders. No provision is made in the accounts for these demands.

| | |
|-------------|----------------|
| A.Y 2007-08 | Rs. 1,34,891/- |
|-------------|----------------|
- d) As at 31st March, 2010 Rajratan Thai Wire Co. Ltd. was contingently liable to local banks for letters of guarantees issued by said bank to government agencies and private companies totaling approximately to Baht 2.156 Million (Previous Year Baht 3.76 Million)

5. In accordance with the Accounting Standard (AS)17 "Segment Reporting" issued by The Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standards Rules, 2006 the company has identified Windmill unit as a separate reportable segment. The requisite disclosure is as under:-

Information About Business Segments

(Rs. In Lac)

| REVENUE | STEEL WIRE | | WIND MILL | | CONSOLIDATED | |
|---|-----------------|-----------------|--------------|---------------|-----------------|-----------------|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| External Sales | 18432.89 | 15814.84 | 0 | 52.10 | 18432.89 | 15866.94 |
| Inter Segment Sales | 38.35 | 38.42 | 98.99 | 110.26 | 137.34 | 148.68 |
| Total Revenue | 18471.24 | 15853.26 | 98.99 | 162.36 | 18570.23 | 16015.62 |
| RESULT | | | | | | |
| Segment Result | 2463.58 | 1726.92 | 43.5 | 110.75 | 2507.08 | 1837.67 |
| Unallocated Corporate expenses | - | - | - | - | 655.95 | 700.05 |
| Operating Profit | | | | | 1851.13 | 1137.62 |
| Interest Expenses | | | | | 726.22 | 859.94 |
| Interest Income | | | | | 13.6 | 16.34 |
| Income Taxes | | | | | 496.53 | 308.65 |
| Profit From Ordinary Activities | | | | | 641.98 | (14.63) |
| Extraordinary Loss | | | | | -- | -- |
| Net Profit | | | | | 641.98 | (14.63) |
| Other Information | | | | | | |
| Segment Assets | 14031.93 | 12945.14 | 486.34 | 519.84 | 14518.27 | 13464.98 |
| Unallocated Corporate Assets | | | | | 395.23 | 690.8 |
| Total Assets | | | | | 14913.5 | 14155.78 |
| Segment Liabilities | 9566.39 | 9409.79 | | | 9566.39 | 9409.79 |
| Unallocated Corporate Liabilities | | | | | 975.26 | 927.33 |
| Total Liabilities | | | | | 10541.65 | 10337.12 |
| Capital Expenditure | 163.93 | 4304.51 | | | 163.93 | 4304.51 |
| Depreciation | 566.45 | 458.13 | 34.80 | 34.80 | 601.25 | 492.93 |
| Non-Cash Expenses Other than Depreciation | | | | | 0.00 | 3.00 |

Information About Geographical Segments

(Rs. In Lac)

| | With in India | | Out side India | | Total | |
|--|---------------|---------------|----------------|---------------|--------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Sales Revenue | 13696.68 | 12926.19 | 4736.21 | 2888.65 | 18432.89 | 15814.84 |
| Segment Assets | 11009.21 | 10471.65 | 3904.29 | 3684.13 | 14913.5 | 14155.78 |
| Cost of Acquire Tangible & Intangible Fixed Assets | 163.93 | 167.04 | 287.43 | 4054.82 | 451.36 | 4221.86 |

6. In accordance with the Accounting Standard (AS)18 "Related Party Disclosures" issued by The Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standards Rules, 2006 the names of the related parties and the relevant disclosure is as under:-

(a) Name of the related party and description of relationship:

- i. Key Management Personnel:
- 1) Mr. Chandanmal Chordia - Chairman
 - 2) Mr. Sunil Chordia - Managing Director

- 3) Mr. Ghanshyam Rathi - Whole Time Director (Thailand Unit)
- 4) Mr. Deepesh Trivedi - Executive Director
- ii. Relatives of Key Managerial Personnel
 - 1) Smt. Shantadevi Chordia W/o Shri Chandanmal Chordia
 - 2) Smt. Sangeeta Chordia W/o Shri Sunil Chordia
- iii. Companies/entities under the control of Key Management personnel
 - 1) M/s. Rajratan Resources Pvt. Ltd.,
 - 2) M/s. Rajratan Investment Ltd,
 - 3) M/s. Cee Cee Engineering Pvt.Ltd.
- iv. Subsidiary
 - 1) M/s. Rajratan Thai Wire Company Ltd.,Thailand
- v. Joint Venture
 - 1) M/s. Swaraj Technocraft Pvt Ltd .

The following transaction were carried out with the related parties in the ordinary course of business:

| Sr. No. | Transaction | Key Management Personnel | Relatives of Key Management Personnel | Companies/entities under the control of Key Management Personnel | Subsidiary | Joint Venture |
|---------|--|------------------------------|---------------------------------------|--|--------------------------------|-----------------------------|
| 1. | Purchase of Goods | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (11,596) | 3,19,679/- (32,51,806/-) |
| 2. | Sale of Goods | NIL (NIL) | NIL (NIL) | NIL (NIL) | 3,83,74,338/- (44,37,778/-) | 1,88,697/- (7,13,180/-) |
| 3. | Purchase of Assets | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 98,84,229/- (77,234/-) |
| 4. | Sale of Assets | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (2,50,470/-) |
| 5. | Unsecured Loan Received | NIL (NIL) | NIL (NIL) | 2,18,24,599/- (1,04,26,939/-) | NIL (NIL) | NIL (NIL) |
| 6. | Investment in Equity Share during the year | NIL (NIL) | NIL (NIL) | NIL (NIL) | 94,29,913/- (2,36,21,350/-) | NIL (NIL) |
| 7. | Dividend Received | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 87,500/- (131250/-) |
| 8. | Remuneration | 80,33,201/- (73,96,824/-) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| 9. | Interest | NIL (NIL) | NIL (NIL) | 9,58,418/- (6,31,681/-) | NIL (NIL) | NIL (NIL) |
| 10. | Rent | NIL (NIL) | 2,16,000/ (2,85,288/-) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| 11. | Job work charges | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 1,03,476/- (4,39,703/-) |

The figures mentioned in the brackets are previous year figures.

7. Supplementary Information

a) **Earning Per Share**

The Company's share capital consists of equity share. The basic and diluted earning per share is calculated as under:

| Sr. No. | Nature of Transaction | This Year | Previous |
|---------|---|-------------|-------------|
| 1. | Number of Shares at the Commencement | 43,51,800 | 43,51,800 |
| 2. | Shares issued during the year | NIL | NIL |
| 3 | No. of Shares at the end of the Year | 43,51,800 | 43,51,800 |
| 4. | Profit After Taxes | 6,46,82,717 | (13,77,554) |
| 5. | Extra Ordinary Items (Within the meaning of AS-5, Net Profit or loss for the period, Prior Period items and Changes in the Accounting Policies) | NIL | NIL |
| 6. | Basic Earning Per Share | 15.00 | (0.32) |
| 7. | Diluted Earning Per Share | 15.00 | (0.32) |
| 8. | Nominal Value Per Share | 10.00 | 10.00 |

8. Previous Year's figures have been regrouped and recast wherever considered necessary to make them comparable with the current year's figures.

9. The Holding Company has a Joint Venture interest in M/s Swaraj Technocrafts Pvt. Ltd. The accounts of the Joint Venture company not being available have not been consolidated in accordance with Accounting Standard -27 "Accounting for Joint Ventures" issued by The Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standards Rules, 2006. The total amount invested in share capital of M/s Swaraj Techocrafts Pvt. Ltd. is Rs.20,00,000/- The net impact of consolidation of this Joint Venture will not be material in the opinion of the management. The details of Interest in Joint Venture are as under:-

- (a) Name of Joint Venture : M/s Swaraj Technocrafts Pvt. Ltd.
- (b) Country of Incorporation : India
- (c) Proportion of Ownership : 50%
- (d) The Company is not incurred any contingent liabilities in respect of interest held in the above named Joint Venture.
- (e) The Company has not entered into any capital commitment in respect of the interest held in the above mentioned Joint Venture.

**FOR FADNIS AND GUPTE
CHARTERED ACCOUNTANTS**

FOR AND ON BEHALF OF THE BOARD

(CA MANOJ FADNIS)
PARTNER
M.No. 072707

VINEET CHOPRA
COMPANY SECRETARY

SUNIL CHORDIA
MANAGING DIRECTOR

D. TRIVEDI
EXECUTIVE DIRECTOR

Indore
Dated : 05th May 2010

**CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31.3.2010
PURSUANT TO THE LISTING AGREEMENT WITH STOCK EXCHANGE**

| PARTICULARS | 2009-2010 | 2008-2009 |
|---|-----------------------|-----------------------|
| A) CASH FLOW FROM OPERATING ACTIVITIES: | | |
| NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS ADJUSTMENT FOR: | 11,38,51,324 | 2,94,01,984 |
| Add: Depreciation | 6,01,25,319 | 4,92,93,656 |
| Share issued exp. W/off | 0 | 3,00,000 |
| Interest & finance charges | 7,26,22,840 | 8,59,94,552 |
| Profit/Loss on sale of assets | 14,25,170 | 6,44,827 |
| Dividend Income | (87,875) | (1,31,625) |
| Prior Period Adjustment | 1,49,327 | 1,21,919 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES: ADJUSTMENT FOR: | 24,80,86,105 | 16,56,25,313 |
| Trade and Other Receivables | (9,27,85,214) | (4,50,26,613) |
| Inventories | (4,52,56,067) | 12,68,977 |
| Trade and other Payables | 2,65,65,984 | (36,46,527) |
| Increase in Working Capital Limits | 6,02,01,049 | 7,82,92,548 |
| CASH GENERATED FROM OPERATIONS | 19,68,11,857 | 19,65,13,698 |
| Direct Taxes Paid & Fringe Benefit Tax | (4,70,74,069) | (2,59,52,536) |
| CASH FLOW BEFORE EXTRA ORDINARY ITEMS: | 14,97,37,788 | 17,05,61,162 |
| Extra Ordinary Items (Prior Period) | 0 | 0 |
| NET CASH FROM OPERATING ACTIVITIES | 14,97,37,788 | 17,05,61,162 |
| B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Sale of fixed assets | 6,48,358 | 12,83,263 |
| Dividend Income | 87,875 | 1,31,625 |
| Purchase of fixed assets | (6,28,76,651) | (13,71,67,081) |
| NET CASH FROM INVESTING ACTIVITIES | (6,21,40,418) | (13,57,52,193) |
| C) CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Interest Paid | (7,26,22,840) | (8,59,94,552) |
| Proceeds from Long Term Borrowings | (7,11,07,046) | 7,95,21,249 |
| Dividend Paid | (43,51,800) | (43,51,800) |
| Dividend Tax Paid | (7,39,588) | (7,39,588) |
| Increase/(Decrease) in Foreign currency Translation Reserve | 1,04,97,923 | 78,86,984 |
| NET CASH FROM FINANCING ACTIVITIES(C) | (13,83,23,351) | (36,77,707) |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) | (5,07,25,981) | 3,11,31,162 |
| OPENING BALANCE OF CASH AND CASH EQUIVALENTS | 5,72,15,820 | 2,60,84,558 |
| CLOSING BALANCE OF CASH AND CASH EQUIVALENTS | 64,89,839 | 5,72,15,820 |

FOR AND ON BEHALF OF THE BOARD

Indore
Dated : 05th May 2010

VINEET CHOPRA
COMPANY SECRETARY

SUNIL CHORDIA
MANAGING DIRECTOR

D. TRIVEDI
EXECUTIVE DIRECTOR

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement with the books and records maintained by RAJRATAN GLOBAL WIRE LIMITED and certify that in our opinion and according to the information and explanation given to us, the above statement is in accordance therewith.

Date : 05th May 2010
Indore

FOR FADNIS & GUPTE
CHARTERED ACCOUNTANTS
(CA MANOJ FADNIS)
PARTNER
M.No. 072707

DIRECTORS' REPORT

To,

The Members

Your directors hereby present their fifth Annual Report along with audited accounts for the financial year ended 31st March 2010.

Financial Results:

The Company witnessed impact of global recession in the beginning of year but felt gradual recovery from 2nd quarter onwards. Amidst the challenges of recession, the Company started generating the cash profits and registered sales volume of 9267 MT as against 2791 MT in previous year. Total revenues recorded were Baht 291 Mn against Baht 108 Mn. in previous year. Net Loss reduced considerably to Baht 17.77 Mn. as against Baht 46.04 Mn in previous year with marginal cash profit of Baht 2.73 Mn.

Performance Highlights:

During the period under review, market made a move towards growth and saw better demand though at a relatively slower pace. The Company registered better volume than previous year but marginally missed budgeted volume.

During the year, the Company focused on to reach all tyre makers in Asian countries and put aggressive efforts for exports in India, Taiwan and Australia. At the same time, in order to develop local customer base, started penetrating in mattress wire product in domestic market.

Dividend:

Your directors do not recommend dividend for the period under review due to losses.

Future Plans and Company's Outlook:

The growth outlook largely looks positive in 2010-11. Sales are expected to improve further with aggressive efforts in place to get approval of product from major tyre makers, developing new customers and new product line. These initiatives will see better performance with potential for considerable growth in the years to come.

The Company is at the verge of getting ISO/TS 16946 Quality certificate, which is the requirement of most of the tire making companies.

In order to gear up for better demand in near future, global recovery, specifically in auto sector and increased presence in Asian market; Your Company has decided to increase current capacity from 12000 MT p.a to 24000 MT p.a. in stages.

Your directors are optimistic about the overall outlook for the coming financial year and are confident to start generating profit during 2010-11.

Directors:

In accordance with The Civil and Commercial code of Thailand, Mr. Sunil Chordia and Mr. P.D. Nagar retire by rotation at the 5th Annual general meeting and they are eligible for re-appointment. The Board recommends their re-appointment.

Auditors:

Company have, Mr. Phichat Phruksarojanakun, Certified Public Accountant having registration no. 8342 and Ms. Pattaranut Kaewyai Certified Public Accountant having regd. no. 8395, of B1 Auditing group, Thailand, on their willingness to act as company Auditor, appointed as Auditors according to The Civil and Commercial code of Thailand and they will hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

Personnel:

The Board wishes to place on record its appreciation of the contribution made by the employees at all levels. In response, Company could maintain its manpower employment plan intact during the period to ensure long term association with all its employees which do have direct impact on your company's performance.

Acknowledgements:

The Board wishes to express their gratitude and place on record their sincere thanks to all the Suppliers, Bankers, Customers, and all the Government agencies in Thailand and India for their continued support.

For and on behalf of the Board

Ghanshyam Rathi
Director
Dated: 5th May 2010
Bangkok, Thailand

REPORT OF INDEPENDENT AUDITOR

To,

**The Board of Directors and Shareholders of
Rajratan Thai Wire Co. Ltd.**

I have audited the balance sheet of Rajratan Thai Wire Co., Ltd. as at March 31, 2010, and 2009 the related statements of income, changes in shareholders' equity, and statement of cash flow for year then ended of Rajratan Thai Wire Co., Ltd. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rajratan Thai Wire Co., Ltd. as at March 31, 2010 and 2009, and the results of its operations, and cash flow for year then ended of Rajratan Thai Wire Co., Ltd. in conformity with generally accepted accounting principles.

Phichat Phruksarojanakun
Certified Public Accountant (Thailand) No. 8342

Ratchaburi
May 05, 2010

BALANCE SHEET
MARCH 31, 2010 AND 2009

(In Baht)

| Particulars | Notes | 2010 | 2009 |
|-----------------------------------|--------------|-----------------------|-----------------------|
| <u>ASSETS:</u> | | | |
| Cash and cash at banks | 3 | 3,753,442.71 | 721,299.58 |
| Account receivable | | 38,005,661.65 | 22,554,444.32 |
| Receivable from parent company | 10 | -- | 2,496,200.00 |
| Inventories | 4 | 50,793,960.79 | 24,481,135.93 |
| Other Current assets | 5 | 4,239,835.93 | 4,126,075.44 |
| TOTAL CURRENT ASSETS | | 96,792,901.08 | 54,379,155.27 |
| Property, plant and equipment-net | 6 | 325,040,709.53 | 323,301,547.77 |
| Deposits | | 150,000.00 | 174,000.00 |
| TOTAL NON-CURRENT ASSETS | | 325,190,709.53 | 323,475,547.77 |
| TOTAL ASSETS | | 421,983,610.61 | 377,854,703.04 |

The accompanying notes are an integral part of these financial statements.

For and on Behalf of the Board

Ghanshyam Rathi
Director

BALANCE SHEET
MARCH 31, 2010 AND 2009

(In Baht)

| Particulars | Notes | 2010 | 2009 |
|--|-------|-----------------------|-----------------------|
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Bank overdraft and short-term loans | 7 | 85,105,079.69 | 55,309,270.35 |
| Account payable - Other Companies | | 25,521,968.34 | 6,311,222.41 |
| Payable to Parent company | 10 | 372,720.48 | - |
| Short-term loan from Parent company | 10 | 13,293,384.50 | - |
| Current portion of hire purchase payable | 8 | 224,864.94 | 269,812.44 |
| Current portion of long-term housing loan | 9 | 592,800.00 | 592,800.00 |
| Current portion of long-term loan | 9 | 18,094,284.23 | - |
| Accrued expenses and other current liabilities | 11 | 5,221,805.96 | 2,289,693.17 |
| TOTAL CURRENT LIABILITIES | | 148,426,908.14 | 64,772,798.37 |
| Hire Purchase Payable-net | 8 | - | 224,864.94 |
| Long-term loans-net | 9 | 200,883,473.66 | 228,912,700.00 |
| TOTAL NON-CURRENT LIABILITIES | | 200,883,473.66 | 229,137,564.94 |
| TOTAL LIABILITIES | | 349,310,381.80 | 293,910,363.31 |
| Shareholders' Equity | | | |
| Authorised Share Capital | | | |
| 14,000,000 common shares of 10 baht each | 12 | 140,000,000.00 | 140,000,000.00 |
| Issued and paid-up capital | | | |
| 14,000,000 shares fully paid-up at 10 baht each | | 140,000,000.00 | 128,000,000.00 |
| (2009: 12,800,000 shares fully paid-up at 10 baht each) | | | |
| 2009 : 1,200,000 shares partly paid-up at 4.40 baht each | | | 5,280,000.00 |
| | | 140,000,000.00 | 133,280,000.00 |
| Retained Earning | | | |
| Unappropriated | | (67,326,771.19) | (49,555,377.72) |
| | | 72,673,228.81 | 83,724,622.28 |
| Advance for share capital from parent company | 10 | - | 219,717.45 |
| Total Shareholders' Equity | | 72,673,228.81 | 83,944,339.73 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 421,983,610.61 | 377,854,703.04 |

The accompanying notes are an integral part of these financial statements.

For and on Behalf of the Board

Ghanshyam Rathi

Director

**STATEMENTS OF INCOME
FOR YEAR ENDED MARCH 31, 2010 AND 2009**

(In Baht)

| Particulars | Notes | 2010 | 2009 |
|---|-------|------------------------|------------------------|
| REVENUES | 2 | | |
| Net Sales | | 286,181,391.05 | 108,004,123.44 |
| Gain on Exchange rate | | 4,644,493.45 | 296,888.82 |
| Other Income | | - | 19,425.56 |
| Total Revenues | | 290,825,884.50 | 108,320,437.82 |
| EXPENSES | 2 | | |
| Cost of Sales | | 269,646,581.38 | 129,379,863.91 |
| Selling Expenses | | 8,953,297.78 | 2,208,503.65 |
| Administrative Expenses | | 11,562,951.95 | 11,059,345.62 |
| Total Expenses | | 290,162,831.11 | 142,647,713.18 |
| PROFIT (LOSS) BEFORE FINANCIAL COSTS | | 663,053.39 | (34,327,275.36) |
| Financial costs | | (18,434,446.86) | (11,713,929.41) |
| NET LOSS | | (17,771,393.47) | (46,041,204.77) |
| Loss per share | | (1.31) | (5.21) |
| Weighted average number of shares | | 13,579,178.00 | 8,830,137.00 |

The accompanying notes are an integral part of these financial statements.

For and on Behalf of the Board

Ghanshyam Rathi
Director

**STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
FOR YEAR ENDED MARCH 31, 2010 AND 2009**

(In Baht)

| Particulars | Notes | Share Capital | Unappropriated | Total |
|-------------------------------------|-------|-----------------------|------------------------|----------------------|
| Balance as at December 31, 2008 | | 86,240,000.00 | (3,514,172.95) | 82,725,827.05 |
| Common Shares | 11 | 47,040,000.00 | - | 47,040,000.00 |
| Net loss | | - | (46,041,204.77) | (46,041,204.77) |
| Balance as at March 31, 2009 | | 133,280,000.00 | (49,555,377.72) | 83,724,622.28 |
| Common Shares | 11 | 6,720,000.00 | - | 6,720,000.00 |
| Net loss | | - | (17,771,393.47) | (17,771,393.47) |
| Balance as at March 31, 2010 | | 140,000,000.00 | (67,326,771.19) | 72,673,228.81 |

The accompanying notes are an integral part of these financial statements.

For and on Behalf of the Board

Ghanshyam Rathi
Director

**CASH FLOW STATEMENTS
FOR YEAR ENDED MARCH 31, 2010 AND 2009**

| Particulars | 2010 | (In Baht) 2009 |
|--|------------------------|---------------------------|
| Cash flows from operating activities: | | |
| Net loss | (17,771,393.47) | (46,041,204.77) |
| Adjustment to reconcile net income to net cash provided by (Paid from) operating activities: | | |
| Depreciation | 20,509,226.60 | 14,110,020.11 |
| Income from operating activities before changes in | | |
| Operating assets and liabilities | 2,737,833.13 | (31,931,184.66) |
| (Increase)/ decrease in operating assets: | | |
| Trade accounts receivable | (15,451,217.33) | (9,629,174.54) |
| Inventories | (26,312,824.86) | (12,106,132.04) |
| Advance paid against raw material supplies | 2,496,200.00 | (2,496,200.00) |
| Other current assets | (113,760.49) | (536,268.95) |
| Deposits | 24,000.00 | 851,000.00 |
| Increase (decrease) in operating liabilities: | | |
| Trade accounts payable | 19,210,745.93 | (6,033,694.75) |
| Payable to Parent Company | 372,720.48 | - |
| Accrued expenses | 2,932,112.79 | (3,746,725.77) |
| Net Cash from operating activities | (14,104,190.35) | (65,628,380.71) |
| Cash flows from investing activities: | | |
| Cash payments for purchase of property, plant & equipment | (22,295,023.27) | (62,173,471.40) |
| Disposal of Fixed assets | 46,634.91 | - |
| Net cash used in investing activities | (22,248,388.36) | (62,173,471.40) |
| Cash flows from financing activities: | | |
| Bank overdraft and short-term loans | 29,795,809.34 | 55,309,270.35 |
| Short-term loan from Parent Company | 13,293,384.50 | - |
| Hire purchase payable | (269,812.44) | (269,792.44) |
| Common Share | 6,720,000.00 | 47,040,000.00 |
| Advance for share capital from parent company | (219,717.45) | (29,436,196.00) |
| Long-term loans | (9,934,942.11) | 43,897,200.00 |
| Net cash used in financing activities | 39,384,721.84 | 116,540,481.91 |
| Net increase (decrease) in cash and cash equivalents | 3,032,143.13 | (14,261,370.20) |
| Cash and cash equivalents at beginning of period | 721,299.58 | 14,982,669.78 |
| Cash and cash equivalents at end of period | 3,753,442.71 | 721,299.58 |
| Supplemental cash flows information: | | |
| Cash paid during the period for | | |
| Interest expenses | 18,434,446.86 | 10,291,958.99 |

The accompanying notes are an integral part of these financial statements.

For and on Behalf of the Board

Ghanshyam Rathi
Director

NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2010 AND 2009

1. GENERAL INFORMATION

Rajratan Thai Wire Co., Ltd. was incorporated as a limited company under Thai law on 28 November 2006 with registered No. 0105549139498. The Company has been incorporated in Thailand with the principle activity of manufacturing and trade of tyre bead wire and metal products. Its major shareholder is Rajratan Global Wire Limited., Company incorporated in India, holding 99.99% of total authorized and issued capitals.

Factory and Registered Office: 155/11 Moo 4 Tambol Chetsamian, Ampor Potharam, Ratchaburi Province

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

The Company prepares its statutory financial statements in the Thai language in conformity with accounting standards and practices generally accepted in Thailand.

The financial statements of the Company are prepared in compliance with the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statements B.E.2552” dated January 30, 2009.

The Federation of Accounting Professions issued an announcement No. 21/2550 re: “Exemption of Accounting Standards”. Accordingly, the Company has elected the exemption by not applying the Thai Accounting Standards No. 7 (Revised 2007) “Cash Flow Statement” (previously No.25), No. 24 (Revised 2007) “Related Party Disclosures”(previously No. 47), No. 28 (Revised 2007) “Investment in Associates” (previously No.44), No. 32 (Revised 2007) “Financial Instruments” (previously No. 48) and No. 36 (Revised 2007) “Impairment of Assets”(previously No. 36).

The Federation of Accounting Professions has issued the Notification No. 86/2551 regarding Accounting Standards. The notification mandates the use of the following new accounting standards.

Accounting Framework (Revised 2007)

No. 36 (Revised 2007) “Impairment of Assets” (previously No 36)

The Federation of Accounting Professions has issued the Notification No. 86/2551 regarding Accounting Standards. The notification mandates the use of the following new International Financial Reporting Standard.

No. 5 (Revised 27) “Impairment of Assets” (previously No. 54)

These accounting standards will become effective for the financial statements for fiscal years beginning on or after January 1, 2009. The management has assessed the effect of these accounting standards and believes that they will not have any significant impact on the financial statements for the year in which they are initially period.

The Federation of Accounting Professions has issued the Notification of Federation of Accounting Professions No. 12/2552 dated May 15, 2009 regarding the renumbering of Thai accounting standards (TASs) and Thai financial reporting standards (TFRSs) to be equivalent to the International Accounting Standards and the International Financial Reporting Standards. Therefore, the disclosure of new number of TASs and TFRSs in the financial statements for the year ended March 31, 2010 and 2009 have been used in accordance with such Notification.

The Federation of Accounting Professions has been issued the Notification of Federation of Accounting Professions No. 16/2552 dated May 21, 2009 regarding the following new and revised accounting standards that have been announced in the Royal Gazette, but not yet in effective in 2009 fiscal year.

| | Accounting Standards | Effective date |
|-------|--|-----------------------|
| No.20 | Accounting for Government Grants and Disclosure of Government Assistance | January 1, 2012 |
| No.24 | Related Party Disclosures (Revised 2007) (previously No. 47) | January 1, 2011 |
| No.40 | Investment Property | January 1, 2011 |

These accounting standards will supersede previously issued accounting standards when they become effective. The Company’s management has assessed the impact of these accounting standards when they are effective for financial periods beginning on or after the TASs effective date, and does not expect them to have a material effect on the Company’s financial statements.

The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

2.1 REVENUE RECOGNITION

Sales are the invoiced value, excluding value added tax, of goods supplied after deducting goods returned, discounts and allowance when products are delivered and title passes to customer.

Based on the Announcement of the Board of the Investment No. Por.14/1998 dated December 30, 1998 regarding revenue reporting of a promoted industry, the Company is required to report the revenue from domestic sales and export sales separately and to report separately between the promoted and non-promoted sectors. For the years ended March 31, 2010 and 2009 the required information is as follows:

| | For the year ended March 31, 2010 | | Total | For the year ended March 31, 2009 | | Total |
|---------------------------|-----------------------------------|--------------------------|--------|-----------------------------------|--------------------------|--------|
| | Promoted Business | Non-Promoted Business | | Promoted Business | Non-Promoted Business | |
| Revenues | | | | | | |
| Revenue from local sales | 127.61 | 14.78 | 142.39 | 78.04 | 1.05 | 79.09 |
| Revenue from export sales | 143.79 | - | 143.79 | 28.91 | - | 28.91 |
| Total | 271.40 | 14.78 | 286.18 | 106.95 | 1.05 | 108.00 |

(In Million Baht)

2.2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand and cash at financial institutions with an original maturity of three months or less and not subject to restrictions.

2.3 TRADE ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Trade accounts receivable are stated at their net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in the collection of receivables. The allowance is based on collection experience and the current status of receivables outstanding at the balance sheet date.

2.4 INVENTORIES

- (a) Inventories are valued at cost or net realizable value whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make to sale
- (b) The cost of inventories comprise all costs of purchase including duties and taxes (other than those subsequently recoverable from the taxing authorities), conversion cost and other costs incurred in bringing the inventories to their present location and condition.
- (c) The cost formulas used are Annual Weighted Average Cost in case of Raw Material and First-in- First Out ('FIFO') in case of Ancillary Raw Material (Consumable Spares).

2.5 PROPERTY, PLANT, AND EQUIPMENT AND DEPRECIATION

Fixed assets are stated at acquisition cost less accumulated depreciation. The cost of fixed assets comprises its purchase price including import duties and other non-refundable taxes or levies and any directly, attributable cost of bringing the asset to the working condition for its intended use. Land is stated at cost.

Depreciation is provided on the straight-line method ('SLM') as per the useful lives as follows:-

| | <u>Years</u> |
|--|--------------|
| Building and improvement (Factory and Residential) | 25 |
| Plant, machinery, and equipments | 13 |
| Furniture and fixtures | 10 |
| Vehicles | 10 |
| Office equipments | 5 |

Capital Work-In-Progress includes the cost of fixed assets that are not ready to use at the balance sheet date and advances paid to acquire capital assets before the balance sheet date.

2.6 RELATED PARTY TRANSACTIONS

Related parties comprise enterprises and individuals that control or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company. In addition, related parties include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, and key management personnel,

and directors and officers with authority in the planning and direction of the Company's operations, together with close members of the families of such persons and companies which are controlled or influenced by them, whether directly or indirectly.

2.7 BORROWING COST

The borrowing costs that are directly attributable to the acquisition, construction or productions of a qualifying asset are capitalized as part of the cost of that asset.

Company had capitalized the borrowing cost as the cost of assets of following;

| | (In Million Baht) | |
|---------------------------------|-------------------|-------------|
| | 2010 | 2009 |
| Interest from Loan | -- | 3.99 |
| Financial Cost | -- | 1.29 |
| Loss from foreign exchange rate | -- | 2.40 |
| Total | -- | 7.68 |

2.8 HIRE PURCHASE AGREEMENT

The Company recorded motor vehicle under hire purchase as assets and liabilities in the balance sheets at amounts equal at the inception of the hire purchase to the fair value of the leased assets or, if lower, at the present value of the minimum hire purchase payments. In calculating the present value of the minimum hire purchase payments, the discount factor used is the interest rate implicit in the hire purchase. The interest charge is recorded to periods during the hire purchase term on the remaining balance of the liability for each period.

2.9 FOREIGN CURRENCIES

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account of the year.

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the closing exchange rate and the resultant exchange differences are recognized in the profit and loss account on non qualifying assets and capitalized on the qualifying assets.

2.10 BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net earnings (loss) for the year by the weighted average number of ordinary shares held by outside shareholders in issue during the year.

2.11 USE OF ACCOUNTING ESTIMATES

preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. Expenses such as benefits to employees, insurance, vehicle running and maintenance, and communication expenses are being accounted for as and when occur.

3. CASH AND CASH AT BANKS

| | (In Baht) | |
|---------------|---------------------|-------------------|
| | 2010 | 2009 |
| Cash | 69,711.40 | 105,639.24 |
| Cash at banks | 3,683,731.31 | 615,660.34 |
| Total | 3,753,442.71 | 721,299.58 |

For and on Behalf of the Board

Ghanshyam Rathi
Director

4. INVENTORY

| | (In Baht) | |
|------------------------|-----------------------------|-----------------------------|
| | <u>2010</u> | <u>2009</u> |
| Raw materials | 19,983,437.99 | 3,478,740.77 |
| Work In progress | 2,727,531.90 | 5,737,584.41 |
| Ancillary raw material | 1,505,430.00 | 287,840.00 |
| Store materials | 6,198,706.80 | 4,106,671.50 |
| Scrap | 13,084.50 | 1,506.00 |
| Finished goods | <u>20,365,769.60</u> | <u>10,868,793.25</u> |
| Total | <u>50,793,960.79</u> | <u>24,481,135.93</u> |

5. OTHER CURRENT ASSETS

| | (In Baht) | |
|--|----------------------------|----------------------------|
| | <u>2010</u> | <u>2009</u> |
| Advance payment for raw materials | - | 1,303,147.65 |
| Input VAT not due | 235,286.74 | 82,379.97 |
| VAT Receivable from Revenue Department | 1,990,668.21 | 440,926.49 |
| Prepaid expenses | 284,155.50 | 221,575.85 |
| TDS Receivable from ICICI bank | 1,586,210.23 | 1,288,210.47 |
| Other current assets | <u>143,515.25</u> | <u>789,835.01</u> |
| Total | <u>4,239,835.93</u> | <u>4,126,075.44</u> |

For and on Behalf of the Board

Ghanshyam Rathi
Director

6. PROPERTY, PLANT, AND EQUIPMENT - NET

(In Baht)

| | Land and land improvement | Residential Building | Office furniture and equipment | Vehicles | Plant and Machinery | Factory Building and structure | Work in process & under Installation/Capital Advance | | Total |
|--|---------------------------|----------------------|--------------------------------|---------------------|-----------------------|--------------------------------|--|-------------------------------|-----------------------|
| | | | | | | | Plant and Machinery | Factory Buildg. and structure | |
| Cost | | | | | | | | | |
| March 31, 2009 | 40,370,241.99 | 7,877,461.00 | 3,168,045.01 | 2,617,334.00 | 213,524,803.51 | 69,281,540.50 | 1,223,410.00 | - | 338,062,836.01 |
| Increase during the period | - | - | 653,718.32 | 248,200.00 | 5,054,133.91 | 603,165.00 | 15,735,806.04 | - | 22,295,023.27 |
| Decrease during the period | - | - | (13,844.86) | - | (39,811.17) | - | - | - | (53,656.03) |
| Work in progress /Capital Advance | - | - | - | - | 1,223,410.00 | - | (1,223,410.00) | - | - |
| March 31, 2010 | 40,370,241.99 | 7,877,461.00 | 3,807,918.47 | 2,865,534.00 | 219,762,536.25 | 69,884,705.50 | 15,735,806.04 | - | 360,304,203.25 |
| Accumulated depreciation | | | | | | | | | |
| March 31, 2009 | - | 488,071.73 | 561,313.75 | 550,784.62 | 10,870,601.34 | 2,290,516.80 | - | - | 14,761,288.24 |
| Depreciation expense during the period | - | 315,098.44 | 514,981.75 | 272,069.40 | 16,630,225.88 | 2,776,851.13 | - | - | 20,509,226.60 |
| Disposal assets during the period | - | - | (5,745.50) | - | (1,275.62) | - | - | - | (7,021.12) |
| March 31, 2010 | - | 803,170.17 | 1,070,550.00 | 822,854.02 | 27,499,551.60 | 5,067,367.93 | - | - | 35,263,493.72 |
| Book Value | | | | | | | | | |
| March 31, 2009 | 40,370,241.99 | 7,389,389.27 | 2,606,731.26 | 2,066,549.38 | 202,654,202.17 | 66,991,023.70 | 1,223,410.00 | - | 323,301,547.77 |
| March 31, 2010 | 40,370,241.99 | 7,074,290.83 | 2,737,368.47 | 2,042,679.98 | 192,262,984.65 | 64,817,337.57 | 15,735,806.04 | - | 325,040,709.53 |
| Depreciation expense | | | | | | | | | |
| Year 2009 | | | | | | | | | 14,110,020.11 |
| Year 2010 | | | | | | | | | 20,509,226.60 |

-- The Company Land has been mortgaged to ICICI Bank Limited, Singapore, and Building, Plant and Machinery are mortgaged to secure The long term loan from ICICI Bank Limited, Singapore.
 -- The Company residential building has been mortgaged to Bank of Ayudhya Plc., Thailand (BAY), to secure the long term loan from Bank of Ayudhya Plc., Thailand (BAY).

For and on Behalf of the Board

Ghanshyam Rathi
Director

7. BANK OVERDRAFT AND SHORT-TERM LOANS

| | (In Baht) | |
|-----------------|-----------------------------|-----------------------------|
| | <u>2010</u> | <u>2009</u> |
| Bank overdraft | - | 2,831,481.21 |
| Promissory note | 64,000,000.00 | 29,000,000.00 |
| Trust receipt | 21,105,079.69 | 23,477,789.14 |
| Total | <u>85,105,079.69</u> | <u>55,309,270.35</u> |

Above borrowing was extended by Bank of Ayudhaya PLC Thailand under working capital loan agreement dated 9th May, 2008, which is secured by SBLC of USD 3.00 million issued by ICICI Bank, Singapore under the Loan Agreement dated 5th May, 2007

8. LIABILITIES UNDER HIRE PURCHASE AGREEMENTS

| | 2010 | (In Baht) 2009 |
|---|--------------------------|--------------------------|
| Liabilities under hire purchase agreements | 254,551.00 | 559,987.00 |
| Less : Deferred interest expense | (29,686.06) | (65,309.62) |
| | <u>224,864.94</u> | <u>494,677.38</u> |
| Less : Portion due within one year | (224,864.94) | (269,812.44) |
| Liabilities under hire purchase agreements - net of current portion | <u>-</u> | <u>224,864.94</u> |

For and on Behalf of the Board

Ghanshyam Rathi
Director

9. LONG-TERM LOANS

a) LONG-TERM LOAN FOR PROJECT

The facility from ICICI Bank Limited, Singapore is secured by land, factory building, plant and machinery, apart from that ICICI Bank Limited has issued standby letter of credit of USD 6 million in favour of Bank of Ayudhya Plc., Thailand (BAY) who lends the loan to the Company

| Lender | Date of Agreement | Principal (Million Baht) | Interest rate | Repayment condition | Balance as at 31, | | Secured by |
|--------------------------------------|-------------------|--------------------------|--|---|-------------------|--------|---|
| | | | | | 2009 | 2008 | |
| Bank of Ayudhya Plc., Thailand (BAY) | 2/5/2007 | 126.00 | At the fixed rate in the first and second year, at the rate of MLR - margin in the third year through the end of this agreement. | Repaid one installment of 6.3 Million Baht in February'09 and the rest installment are rescheduled for repayment that will commence from April, 2010 and ends on April'2014 | 119.70 | 119.70 | Secured by USD 4.00 million, standby letter of credit from ICICI Bank Limited Singapore |
| Bank of Ayudhya Plc., Thailand (BAY) | 7/12/2007 | 63.00 | MLR- margin | Repaid one installment of 2.7 Million Baht in February'09 and the rest installment are rescheduled for repayment that will commence from April, 2010 and ends on April'2014 | 51.30 | 51.30 | Secured by USD 2.00 million, standby letter of credit from ICICI Bank Ltd. Singapore |
| ICICI Bank, Singapore | 4/5/2007 | USD 1.5 Million | 3 Month LIBOR+ Margin | Quarterly repayment started from October' 09 and ends on Oct'14 | 44.15 | 53.49 | Secured by Land, Factory Building, Plant & machinery |

b) LONG-TERM LOAN FOR HOUSING

During the period, the Company has entered into long-term loan agreements with Bank of Ayudhya Plc., Thailand (BAY) for housing. The loan is secured by those houses .

| Lender | Date of Agreement | Principal (Million Baht) | Interest rate | Repayment condition | Balance as at March 31 | | Secured by |
|--------------------------------------|-------------------|--------------------------|---------------------|---|------------------------|---------------|-------------------------------|
| | | | | | 2009 | 2008 | |
| Bank of Ayudhya Plc., Thailand (BAY) | 23/7/2007 | 3.92 | MLR - 0.5 per annum | Repay principal in monthly installments in amount of Baht 32,700.00 | 2.88 | 3.27 | Secured by mortgage of houses |
| Bank of Ayudhya Plc., Thailand (BAY) | 26/12/2007 | 2.00 | MLR - 0.5 per annum | Repay principal in monthly installments in amount of Baht 16,700.00 | <u>1.54</u> | <u>1.75</u> | Secured by mortgage of houses |
| | | | | Total balance | 219.57 | 229.51 | |
| | | | | Less : Portion due within one year from Long-term housing loan | (0.60) | (0.60) | |
| | | | | -Portion due within one year from Long-term loan | <u>(18.09)</u> | <u>-</u> | |
| | | | | Long-term loan - net | <u>200.88</u> | <u>228.91</u> | |

10. RELATED COMPANY TRANSACTIONS

During the period, the Company had certain business transactions with Rajratan Global Wire Limited. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between by the Company and Rajratan Global Wire Limited, are summarized below:

| | 2010 | (In Baht) 2009 |
|---|-------------------|---------------------------|
| Purchase of raw material | 26,468,428.97 | 15,212,445.82 |
| Purchase of stores, material handling & packing items | 441,374.37 | 606,828.45 |

The outstanding balances as at 31 March 2010 and 2009 have been separately shown in the balance sheets as follows:-

| | 2010 | (In Baht) 2009 |
|--|---------------|---------------------------|
| Advance paid against raw material supplies | - | 2,496,200.00 |
| Advance received for share capital | - | 219,717.45 |
| Short-term loan | 13,293,284.50 | - |
| Accrued interest expenses | 372,720.48 | - |

11. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

| | 2010 | (In Baht) 2009 |
|---------------------------------|---------------------|---------------------------|
| Advance received from customers | - | 1,270,312.24 |
| Payable to Ayudhya factoring | 4,309,373.78 | - |
| Accrued interest expenses | 743,112.36 | 745,292.60 |
| Other current liabilities | 169,319.82 | 274,088.33 |
| | 5,221,805.96 | 2,289,693.17 |

12. SHARE CAPITAL

During the year Company has converted balance of 1.2 Million shares out of total 14 Million shares issued, from partly paid at Baht 4.40 each to fully paid at Baht 10 each. Status of Share Capital issued as on Balance Sheet date is as following:-

| | 2010 | 2009 |
|--|----------------|----------------|
| a) Fully Paid Shares – 14.0 Million Shares@ Bt. 10 each (2009: 12,800,000 shares fully paid-up at 10 baht each) | 140,000,000.00 | 128,000,000.00 |
| b) Partly Paid Shares – 1.2 Million Shares @ Bt. 4.40 each | - | 5,280,000.00 |
| Total Share Capital | 140,000,000.00 | 133,280,000.00 |

Company registered all Issued Share Capital as fully paid with Department of Business Development on 7th August, 2009.

13. PROMOTIONAL PRIVILEGES

The Company was granted promotional privileges approved by the Board of Investment under the Thai Investment Promotion Act B.E. 2520, for producing TYRE BEAD WIRE, under certificate No. 1080(2)/2550 dated January 26, 2007. Subject to certain imposed conditions, the main privileges include the following:

- a) Permission to own land as approved by the Board.
- b) Exemption from import duty on imported machinery for use in production as approved by Board.
- c) Exemption from corporate income tax on net profits for a period of 7 years commencing as from the date of first earning operating income. The tax exempted shall not over 100% of the total investments excluded from cost of land and related working capital and the exemption is unable to apply to the income earned from selling of Tyre Bead Wire which has not been drawing or stretching.

- d) Exemption from income tax on dividends paid from the profits of the promoted operations for which corporate income tax is exempted, throughout the corporate income tax exemption.
- e) Exemption from import duty on essential raw materials and supplies imported for manufacturing products for export sale for a period of 1 year commencing as from the first date of importing of such materials.

Company has started Commercial production w.e.f. 1st June 2008 for Part Production Process and started Commercial Production w.e.f. 1st August 2008 from its Full Production Process, which will be considered as reference date for calculation of Tax-Free Income from Promoted operations as per BOI Promotion Certificate No. 1080(2)/2550 dated January 26, 2008.

14. CORPORATE INCOME TAX

Corporate income tax is calculated on earning of non-promoted activities before income tax after adding back provisions and certain expenses which are disallowed for tax computation.

15. CONTINGENT LIABILITY

As at March 31, 2010 and 2009, the Company contingently liable to local bank for letters of guarantee issued by said bank totaling approximately Baht 2.156 million and Baht 3.76 million respectively.

16. RECLASSIFICATION OF ACCOUNTS

The Company reclassified certain accounts in 2009 financial statements to confirm with the presentation of the 2010 financial statements, which causes no effect to net profit (loss) or shareholders' equity as reported here above.

17. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the director of the Company.

For and on Behalf of the Board

Ghanshyam Rathi
Director

Bank Account Particulars / Electronic Clearing Service Mandate Form

Mail To, M/s. Link Intime India Private Limited, Unit - Rajratan Global Wire Ltd
C-13 Pannalal Silk Mills Compound, L B S Marg
Mumbai – 400078 Ph: 022-25963838 (In case of Physical Holding)

Mail To, The Depository Participant Concerned (In case of Electronic Holding)

I/We, do hereby authorize Rajratan Global Wire Ltd. to

- Print the following details on my/our dividend account
- Credit my dividend amount directly to my Bank account by ECS.
- (Strike whichever is not applicable)

My folio No. _____ My DP ID _____ My Client IN _____

- A) Bank Name : _____
- B) Branch Name : _____
Address (for mandate only) _____
- C) 9 digit Code number of the bank and branch : _____
As appearing on the MICR cheque
- D) Account Type (Saving/Current) : _____
- E) Account no. as appearing on cheque book : _____
- F) STD Code and Telephone no. : _____
- Date from which the mandate should be effective : _____

I hereby declare that the particulars given above are correct and complete. if any transaction is delayed or nor effected at all for reasons incomplete or incorrect information, I shall not hold M/s. Link Intime India Private Limited or Rajratan Global Wire Ltd responsible. I agree to undertake ECS facility provided by RBI, as and when implemented by RBI/Rajratan Global Wire Ltd. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount through ECS

Signature of Member

(Please attach a Xerox copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the bank name, branch name and code number)

ATTENDANCE SLIP
RAJRATAN GLOBAL WIRE LIMITED

Regd. Office : 11/2, Meera Path, Dhenu Market, Indore (M.P.)

Please complete this Attendance Slip and hand it over at the Entrance of the Meeting Hall

1. Name of attending Member/Beneficial Owner (In BLOCK LETTERS) _____
2. Folio No./Client ID _____
3. No. of Shares Held _____
4. Name of Proxy (In Block Letters) _____

I hereby record my presence at the Twenty Second Annual General Meeting at the Registered Office at 11/2, Meera Path, Dhenu Market, Indore (M.P.) on 4th August 2010.

Note : The copy of the Annual Report may please be brought to the Meeting Hall.

Member's/Beneficial Owner's/Proxy's Signature

PROXY FORM
RAJRATAN GLOBAL WIRE LIMITED
Regd. Office : 11/2, Meera Path, Dhenu Market, Indore (M.P.)

Folio No/Client ID _____

I / We _____
of _____
being a member(s) / beneficial owner(s) of above named Company hereby appoint _____
of _____ or failing him / her _____
_____ of _____

as my / our proxy to attend and vote on me / us and my / our behalf at the Twenty Second Annual General Meeting of the Company to be held on 4th August 2010 and / or at any adjournment thereof.

Signed this _____ day of _____ 2010.

Note : The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting. The Proxy need not be a member of the Company.

BOOK - POST

To,

If undelivered please return to :

RAJRATAN GLOBAL WIRE LIMITED

RAJRATAN HOUSE,

11/2, Meera Path, Dhenu Market,

Indore - 452 003 (M.P.)