

18<sup>th</sup> Annual Report 2009-2010



**RAM RATNA WIRES LTD.**  
AN ISO 9001:2000 COMPANY

॥ श्री ॥

वसुदेवसुतं देवं कंसचाणूरमर्दनम् ।

देवकीपरमानन्दं कृष्णं वन्दे जगद्गुरुम् ॥

**RR✓SHRAMIK**  
Winding Wire



Salasar Copper, Silvassa.

**18<sup>th</sup> ANNUAL GENERAL MEETING**

Day & Date : Friday, 13<sup>th</sup> August, 2010  
 Venue : Maheshwari Bhavan,  
 Plot No. R - 14 & 15, Oshiwara,  
 New Link Road Ext., Opp. Tarapur Garden,  
 Andheri (West), Mumbai – 400 053  
 Phone No. : 022 - 2637 4253 / 54 / 56 / 57  
 Time : 11:30 a.m.

CONTENTS	Page No.
Company Information.....	2
Financial Highlights.....	3
Notice of Annual General Meeting .....	6
Directors' Report.....	10
Report on Corporate Governance.....	14
Management Discussion and Analysis.....	28
Auditors' Report on Financial Statements .....	33
Balance Sheet.....	36
Profit & Loss Account .....	37
Cash Flow Statement.....	38
Schedules forming Part of the Balance Sheet and Profit and Loss Account.....	39
Significant Accounting Policies and Notes on Accounts .....	45
Balance Sheet Abstract.....	54
Attendance Slip and Proxy Form	

## COMPANY INFORMATION

### BOARD OF DIRECTORS

<b>Shri Rameshwarlal Kabra</b>	<i>Chairman</i>
<b>Shri Tribhuvanprasad Kabra</b>	<i>Managing Director</i>
<b>Shri Mahendra Kumar Kabra</b>	<i>Director</i>
<b>Shri Vishnu Anant Mahajan</b>	<i>Director</i>
<b>Shri Satyanarayan Loya</b>	<i>Director</i>
<b>Shri Mukund Chitale</b>	<i>Director</i>
<b>Shri Ajai Singh</b>	<i>Director</i>
<b>Shri Naveen Kumar Mandhana</b>	<i>Director</i>

#### REGISTERED OFFICE

Ram Ratna House,  
 Oasis Complex, P.B. Marg, Worli, Mumbai - 400 013  
 Tel : 91-22-24924144/24949009 Fax : 91-22-24910819  
 Website: www.ramratna.com

#### CORPORATE OFFICE

305/A, Windsor Plaza,  
 R.C. Dutt Road,  
 Alkapuri, Vadodara - 390 007  
 Tel : 91-265-2321891/2/3 Fax : 91-265-2321894

#### WORKS

- |   |  |
|---|--|
| 1) Survey No. 212/2,<br>Near Dadra Check Post,<br>Village : Dadra, Silvassa - 396 193<br>U.T. of Dadra & Nagar Haveli | 2) Salasar Copper<br>Survey No. 142/2, Madhuban Dam Road,<br>Village : Rakholi, Silvassa - 396 240<br>U.T. of Dadra & Nagar Haveli |
|---|--|

#### AUDITORS

V.C. Darak & Associates  
 Chartered Accountants  
 "Yashodhan" 1st Floor, Malviya Road,  
 Off Post Office Road, Vile-Parle (East), Mumbai - 400 057  
 Tel : 91-22-26161646 Fax : 91-22-26161650

#### CONSULTING COMPANY SECRETARY

Rathi & Associates  
 Practicing Company Secretaries  
 A-303, Prathamesh, 3rd Floor, 11-12, Senapati Bapat Marg,  
 Lower Parel, Mumbai - 400 013  
 Tel : 91-22-40764444 Fax : 91-22-40764466

#### BANKERS

State Bank of India  
 Allahabad Bank  
 Standard Chartered Bank  
 Kotak Mahindra Bank Limited

#### REGISTRAR AND SHARE TRANSFER AGENT

Sharepro Services (India) Private Limited  
 13 AB, Samhita Warehousing Complex, 2nd Floor,  
 Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road,  
 Sakinaka, Andheri (E), Mumbai - 400 072.  
 Tel : 91-22-67720300/51/52/53 Fax : 91-22-28375646

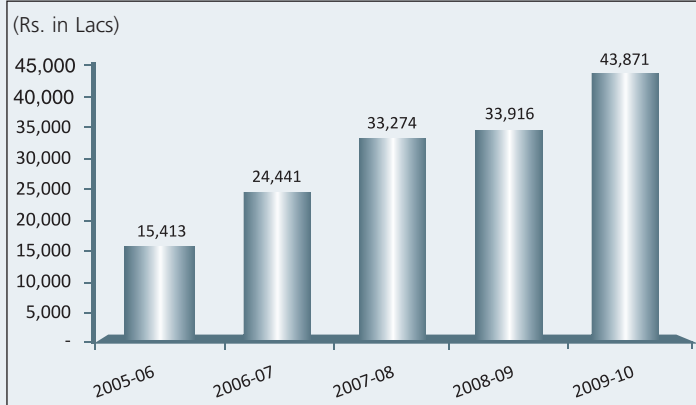
## FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Description	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
<b>A. Operating Results:</b>							
Sales and related income	43,871.44	33,916.91	33,274.00	24,441.66	15,413.74	12,635.24	10,166.46
Other Income	31.54	23.57	66.73	12.37	2.00	-	-
<b>Net Profit before Taxation</b>	<b>1,788.39</b>	<b>220.95</b>	<b>874.91</b>	<b>162.38</b>	<b>296.81</b>	<b>302.44</b>	<b>216.92</b>
Provision for Taxation	617.70	83.85	324.27	66.38	107.42	83.03	55.82
<b>Net Profit after Taxation</b>	<b>1,170.69</b>	<b>137.10</b>	<b>550.64</b>	<b>96.00</b>	<b>189.39</b>	<b>219.41</b>	<b>161.10</b>
<b>B. Financial Position:</b>							
Fixed Assets (Net)	3,053.16	3,025.63	2,544.86	2,153.77	1,908.05	1,035.62	1,048.84
Current Assets (Net)	7,848.52	4,653.81	5,863.86	4,554.11	2,683.84	2,296.93	1,070.58
Investments	40.00	40.00	40.00	40.00	40.00	40.00	40.00
<b>TOTAL ASSETS</b>	<b>10,941.68</b>	<b>7,719.44</b>	<b>8,448.72</b>	<b>6,747.88</b>	<b>4,631.89</b>	<b>3,372.55</b>	<b>2,159.42</b>
Share Capital	1,100.00	1,100.00	1,100.00	947.00	947.00	947.00	767.00
Reserves and Surplus	2,663.57	1,749.43	1,708.85	681.14	668.23	663.82	522.07
<b>SHAREHOLDERS' FUND</b>	<b>3,763.57</b>	<b>2,849.43</b>	<b>2,808.85</b>	<b>1,628.14</b>	<b>1,615.23</b>	<b>1,610.82</b>	<b>1,289.07</b>
Loan Funds	6,848.89	4,567.11	5,397.99	4,903.06	2,825.19	1,630.99	781.84
Deferred Tax	329.22	302.90	241.88	216.68	191.47	130.74	88.51
<b>TOTAL CAPITAL EMPLOYED</b>	<b>10,941.68</b>	<b>7,719.44</b>	<b>8,448.72</b>	<b>6,747.88</b>	<b>4,631.89</b>	<b>3,372.55</b>	<b>2,159.42</b>
<b>C. Equity Share Data:</b>							
Earning per share (Rs.)	10.64	1.25	5.80	1.01	2.00	2.71	2.10
Book value (Rs.)	36.55	25.90	25.56	17.19	17.06	16.48	16.11
Dividend (%)	20.00	7.50	15.00	7.50	12.50	12.50	10.00
Number of Shares (in Lacs)	110.00	110.00	110.00	94.70	94.70	94.70	76.70
<b>D. Operational Performance:</b>							
Production - ECW (MTs)	9,893	8,289	7,017	5,044	4,182	3,305	3,140
Production - ECS (MTs)	410	282	90	10	-	-	-
Capacity Utilization - ECW	72%	69%	70%	60%	61%	79%	85%
Capacity Utilization - ECS	68%	47%	15%	2%	-	-	-

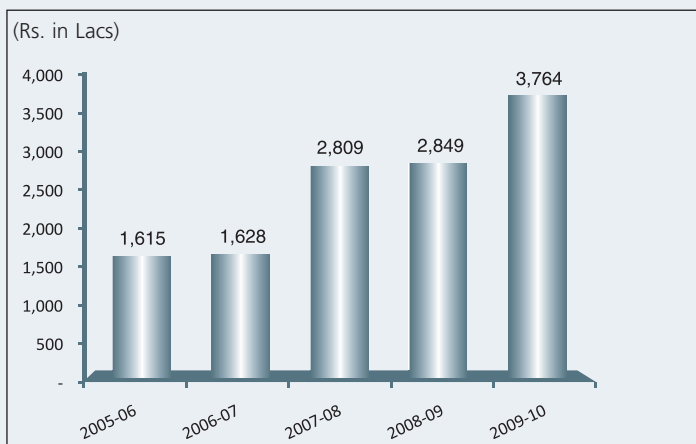
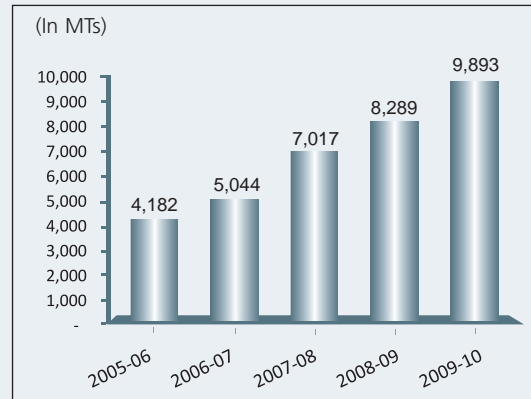
ECW - Enamelled Copper Wire.

ECS - Enamelled Copper Strips.



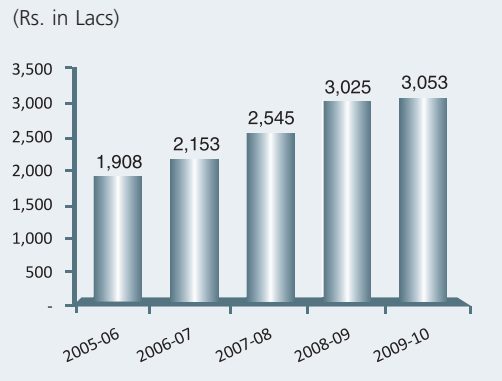
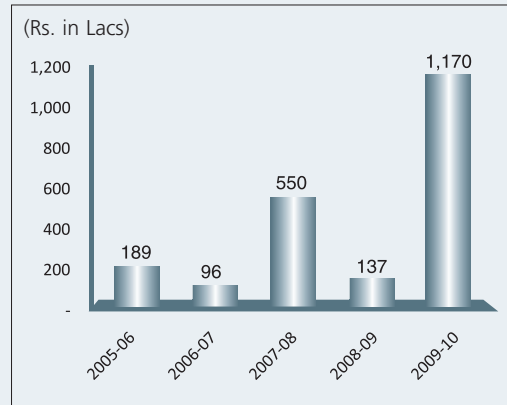
Sales and Related Income

Production - ECW



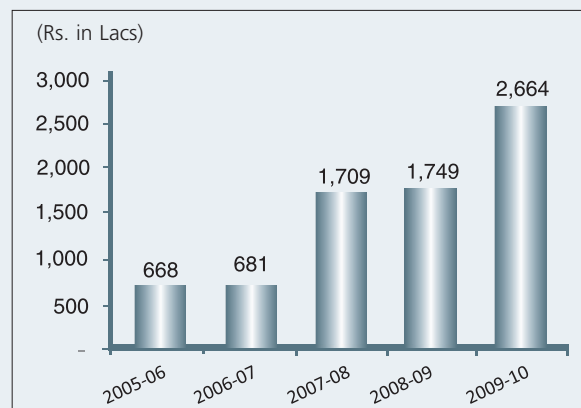
Net Worth

**Net Profit after Tax**



**Fixed Assets**

**Reserve & Surplus**





## NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of Ram Ratna Wires Limited will be held at Maheshwari Bhavan, Plot No. R-14 & 15, Oshiwara, New Link Road Ext., Opp. Tarapur Garden, Andheri (West), Mumbai – 400 053 on Friday, 13<sup>th</sup> August, 2010, at 11:30 a.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2010, the Profit and Loss Account for the year ended on that date together with Reports of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri Vishnu Anant Mahajan, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Mukund Chitale, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS

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

**“RESOLVED THAT** pursuant to the provisions of Sections 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956, including amendment thereto and enactments thereof and subject to the Articles of Association of the Company and subject to such approvals / permissions / sanctions as may be necessary, the consent of the members of the Company be and is hereby accorded for the sub-division of each and every existing Equity Share of the Company of the nominal value of Rs. 10/- (Rupees Ten only) each into 2 (Two) Equity Shares of Rs. 5/- (Rupees Five only) each.

**RESOLVED FURTHER THAT** the existing Clause V of the Memorandum of Association of the Company relating to the Authorised Share Capital be and is hereby altered and amended as under:

- V. The Authorized Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs. 5/- (Rupees Five only) each.

**RESOLVED FURTHER THAT** pursuant to the sub-division of the Equity Shares of the Company, the paid up Equity Shares each of the face value of Rs.10/- (Rupees Ten only) presently issued and subscribed, be sub-divided into 2 (Two) Equity Shares of the face value of Rs.5/- (Rupee Five only) each fully paid up, with effect from the record date, to be determined by the Board of Directors for this purpose.

**RESOLVED FURTHER THAT** the existing Share Certificate(s) in relation to the issued Equity Share Capital held in physical form be cancelled and new Share Certificate(s) be issued in respect of the holdings of Equity Shares of the members of the Company consequent upon the sub-division of the Equity Shares as aforesaid subject to the provisions of the Companies (Issue of Share Certificates) Rules, 1960 and in the case of shares held in the dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the Shareholders in lieu of the existing credits representing the Equity Shares before sub-division with the respective Depositories.

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee of the Board constituted or hereinafter constituted) be and is hereby authorized to issue the new Share Certificates representing the sub-divided Equity Shares consequent to the sub-division of shares as aforesaid, and/or credit the beneficiary accounts maintained with Depositories, subject to the rules as laid down in the Companies (Issue of Share Certificates) Rules, 1960 and the Articles of Association of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the Board of Directors (Board) / duly constituted committee of the Board, be and is hereby authorized to take such steps and actions and give such directions as it may, in its absolute discretion, deem necessary and to settle any question that may arise in this regard and to finalize and



execute all documents, deeds and writings as may be necessary, which includes but not limited to, preparing, executing and filing necessary applications/forms/returns/documents to the Registrar of Companies, Stock Exchange(s), National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and/or such other statutory authorities as may be necessary, from time to time, and to delegate all or any of the powers to any authorized person(s) to give effect to the above resolution and to comply with necessary formalities in this regard.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 31 and all other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals/permissions/sanctions of the appropriate authorities, departments or bodies as may be necessary, the Articles of Association of the Company be and is hereby altered by substituting the existing Article 3 by the following:

3. The Authorized Share Capital of the Company shall be as per Clause V of the Memorandum of Association of the Company as may be altered from time to time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take such steps and actions and give such directions as it may, in its absolute discretion, deem necessary.”

For and on behalf of the Board

Place : Mumbai  
Date : 25<sup>th</sup> May, 2010

**Rameshwarlal Kabra**  
Chairman

**REGISTERED OFFICE:**

Ram Ratna House, Oasis Complex,  
P.B.Marg, Worli, Mumbai-400 013

**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY’S REGISTERED OFFICE NOT LATER THAN 48 (FORTY EIGHT) HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING.**
- Proxies submitted on behalf of companies, etc., must be supported by appropriate resolution/authority as applicable.
- Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Vice President (Commercial) so as to reach the registered office of the Company at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
- The Register of Members and Share Transfer Books will remain closed from Saturday, 7<sup>th</sup> August, 2010 to Friday, 13<sup>th</sup> August, 2010 (both days inclusive).
- Additional information pursuant to Clause 49 of the Listing Agreement in respect of Directors proposed for appointment/re-appointment at the Annual General Meeting and the Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed hereto.
- The payment of dividend, if any, declared at the Annual General Meeting, will be made to those shareholders whose names appear on the Company’s Register of Members on Friday, 13<sup>th</sup> August, 2010 or to their nominees. In respect of shares in dematerialized form, dividend will be paid to the beneficial owners as at the end of business hours on Friday, 6<sup>th</sup> August, 2010 as per the details to be received from Depositories for the purpose. Dividend warrants shall be dispatched within thirty days from the date of the Annual General Meeting.

7. Pursuant to Section 205A and 205C of the Companies Act, 1956, all unclaimed / unpaid dividends, remaining unpaid or unclaimed for a period of seven years from the date they became due for payment, need to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members are requested to contact the Company's Registrar and Share Transfer Agents, for payment in respect of unclaimed/unpaid dividends. Please note that the dividend declared by the Company for the financial year 2002-2003 will be transferred to IEPF in the month of October, 2010.
8. Members are requested to notify immediately any change in their address / bank mandate to their respective Depository Participant (DP) in respect of their electronic share accounts and to the Company's Registrar & Share Transfer Agent at Sharepro Services (India) Private Limited at 13AB, Samhita Warehousing Complex, 2<sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072 in respect of their physical share folios.
9. Members are requested to bring duly filled admission/ attendance slip and their copy of Annual Report to the Meeting.
10. All the documents referred in the accompanying notice and the explanatory statement will be available for inspection at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on all working days till the date of ensuing Eighteenth Annual General Meeting.

For and on behalf of the Board

Place : Mumbai  
Date : 25<sup>th</sup> May, 2010

**Rameshwarlal Kabra**  
**Chairman**

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

### **Item No.(s): 6 & 7**

In order to facilitate the benefits of more liquidity and accessibility of the shares of the Company, less volatility in the price of Company's shares at the stock exchanges and broad basing of small investors, it is proposed to sub-divide the value of the Equity Shares from the present Rs.10/- to Rs.5/- per share as detailed in the Resolution set out at item no. 6 of the Notice.

Accordingly, 1,50,00,000 Equity Shares of Rs.10/- each of the Company comprised in its Authorised Share Capital are proposed to be sub-divided into 3,00,00,000 Equity Shares of Rs.5/- each. The issued, subscribed and paid-up Capital of the Company, as existing on the Record Date for the purpose of sub-division of Equity Shares, will accordingly be sub-divided into Equity Shares of face value of Rs.5/- each fully paid-up with effect from the record date and consequently fully paid-up share capital of the Company of Rs. 11,00,00,000/- would be divided into 2,20,00,000 Equity shares of Rs.5/- each fully paid-up.

The sub-division of equity shares shall also require necessary amendment to the Capital Clause in the Memorandum of Association of the Company and consequently approval of Shareholders by an ordinary resolution in terms of Section 16 and 94 of the Companies Act, 1956.

Your Directors recommend the resolution as set out at Item No. 6 in the Notice for your approval.

All the Directors of the Company shall be deemed to be concerned or interested in the said resolution to the extent of their respective shareholding in the Company either by themselves or through their relatives.

In view of the proposed sub-division of the Equity Shares of the Company, the Article 3 of the Articles of Association with regard to Authorised Share Capital of the Company would require necessary amendment. As per the provisions of Section 31 of the Companies Act, 1956, amendment in Articles of Association would require approval of Shareholders by a Special resolution.

Hence, your Directors recommend the resolution as set out at Item No. 7 in the Notice for your approval.

None of the Directors of the Company are, in any way, concerned or interested in the said resolution.

Pursuant to Clause 49 of Listing Agreement with the Stock Exchanges, following information is furnished in respect of Directors proposed to be re-appointed at the Annual General Meeting

Name	Shri Vishnu Anant Mahajan	Shri Mukund Chitale
Date of Birth	14-05-1939	16-11-1949
Date of Appointment on the Board	29-09-1993	28-12-2005
Qualification & Nature of Expertise	B. Com, F.C.A.	B. Com, F.C.A.
Experience	Shri Vishnu Anant Mahajan is a practicing Chartered Accountant. He passed his Chartered Accountant's exam in the year 1967. He has been associated with handling of audit work of various private and public limited companies including some well-known companies. He is also associated with the auditing of various renowned banks and insurance companies and also specialized in taxation matters and in the field of preparation of Project Reports for Bank purposes. He was also a member of the Research Committee of the Institute of Chartered Accountants of India (ICAI)	Shri Mukund Chitale is a practicing Chartered Accountant since 1973. He is the Chairman of: 1) Principal PNB Asset Management Company Private Limited and 2) The Ethics Committee of the Bombay Stock Exchange Ltd. He is a member of: 1) Governing Council of Banking Codes and Standards Boards of India, 2) Advisory Board on Banks, Commercial and Financial Frauds and 3) Board of Supervision of NABARD. He is also a Trustee of various Social Organizations.  He is the past President of ICAI during 1997-98. He has also been a member of various committees like The International Auditing Practices Committee, The Committee for Collective Investment Schemes, Committee on Procedures and Performance Audit of Public Services, Working Group on Restructuring of Weak Public Sector Banks and Company Law Advisory Committee of Central Government.
Name of Companies in which also holds Directorship	<ul style="list-style-type: none"> <li>● Duraweld Wearplates Pvt. Limited</li> </ul>	<ul style="list-style-type: none"> <li>● ASREC (India) Limited</li> <li>● Essel Propack Limited</li> <li>● ONGC Petro Additions Limited</li> <li>● ONGC Mangalore Petrochemicals Limited</li> <li>● Foseco India Limited</li> <li>● Itz Cash Card Limited</li> <li>● Larsen &amp; Toubro Limited</li> <li>● Principal PNB Asset Management Company Pvt. Limited</li> <li>● Shriram Transport Finance Co. Limited</li> </ul>
Name of the Companies in Committees of which holds membership / chairmanship	None	<ul style="list-style-type: none"> <li>● ASREC (India) Limited</li> <li>● Essel Propack Limited</li> <li>● Larsen &amp; Toubro Limited</li> <li>● Shriram Transport Finance Co. Limited</li> <li>● Foseco India Limited</li> <li>● Principal PNB Asset Management Company Pvt. Limited</li> <li>● Itz Cash Card Limited</li> </ul>
Number of Shares held in Ram Ratna Wires Limited	2,700 Equity Shares	Nil

For and on behalf of the Board

Place : Mumbai  
Date : 25<sup>th</sup> May, 2010

**Rameshwarlal Kabra**  
Chairman

## DIRECTORS' REPORT

To,  
The Members,

Your Directors have pleasure in presenting the Eighteenth Annual Report on the business, operations and the Audited Accounts of your Company for the financial year ended 31<sup>st</sup> March, 2010.

### FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2010	Year ended 31 <sup>st</sup> March, 2009
Gross Sales and other Income	40,567.79	30,377.04
Total Expenditure	37,860.05	29,245.38
Profit before Interest, Depreciation, Taxation & Extraordinary items	2,707.74	1,131.66
Less: Interest (net of income)	560.56	627.14
Depreciation	344.35	286.40
Profit before Extra-ordinary items and Tax	1,802.83	218.12
Add/(Less): Extra-ordinary item	(14.47)	3.17
Profit before Tax and prior period adjustments	1,788.36	221.29
Less: Provision for Taxation	617.70	83.85
Profit before prior period adjustments	1,170.66	137.44
Add/(Less): Prior period adjustments	0.03	(0.34)
Net Profit after tax and prior period adjustments	1,170.69	137.10
Balance brought forward from Previous Year	944.23	903.65
Profit available for appropriation	2,114.92	1,040.75
<b>Appropriations:</b>		
Proposed Dividend	220.00	82.50
Corporate Tax on proposed Dividend	36.55	14.02
Transfer to General Reserve	90.00	0.00
Balance Carried Forward	1,768.37	944.23

### OPERATIONS AND FINANCIAL REVIEW

Financial Year 2009-10 proved a flourishing and eventful year for your Company with further momentum in improving operational efficiencies and several new initiatives were undertaken. While improved market conditions helped in recording better financial performance, significant improvements were achieved through several internal initiatives viz. higher capacity utilization, thrust on sale of value added products, effective cost reduction measures and prudent cash and inventory management. Your Company achieved a record production of 10,282 MTs with optimum take at insulated material altogether (ECW, ECS, SWW, etc.) through improvement in operational efficiencies. Special thrust was given to expand its distribution network to make its branded products available across the country.

During the Financial Year 2009-10, your Company posted gross Income of Rs. 40,567.79 Lacs, as against Rs. 30,377.04 Lacs in the previous year, higher by 33.55 % and registered a net profit after tax of Rs. 1,170.69 Lacs which is up by 753.89 % over the previous year's net profit of Rs. 137.10 Lacs.

### DIVIDEND

Your Company endeavors to balance the dual responsibility of providing an appropriate return to the members and retaining a reasonable portion of the profit to maintain healthy financial condition with a view to supporting and sustaining future expansion plans and growth. Keeping this endeavor in view and also reflecting the healthy performance during Financial Year 2009-10, your Directors are pleased to recommend, for approval of members, payment of dividend of Rs.2.00 per share (previous year Rs.0.75) for the year ended 31<sup>st</sup> March, 2010.

The payment of dividend together with tax thereon, if declared, at the forthcoming Annual General Meeting will absorb Rs.256.55 Lacs.

### **EXPANSION PLAN**

The Company is planning to undertake an expansion plan by way of increasing its production capacity and existing products range/line. In this connection, the Company has started executing its expansion programme at Dadra unit.

### **DIRECTORS**

Shri Vishnu Anant Mahajan and Shri Mukund Chitale, Directors, retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

Brief profile of the Directors proposed to be re-appointed is annexed to the Notice of the ensuing Annual General Meeting.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

As required by sub-section (2AA) of section 217 of the Companies Act, 1956, directors state:

- that in the preparation of the annual accounts, the applicable accounting standards, have been followed and no material departures have been made from the same;
- that such accounting policies have been selected and applied consistently, and such judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company, for preventing and detecting fraud and other irregularities;
- that the annual accounts have been prepared on a going concern basis.

### **CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORTS**

Your Company is committed to good Corporate Governance practices. A Report on Corporate Governance together with Management Discussion and Analysis Report and along with a certificate from M/s. Rathi & Associates, Company Secretaries, Mumbai, regarding compliance of requirements of Corporate Governance pursuant to Clause 49 of the Listing Agreement with the Stock Exchange is annexed hereto and forms part of this Annual report.

### **AUDITORS' REPORT**

The observations made in the Auditors' Report, read together with the relevant notes thereon are self-explanatory and hence, do not call for any comments under section 217 of the Companies Act, 1956.

### **AUDITORS**

The directors recommend the appointment of M/s. V.C.Darak & Associates, Chartered Accountants as auditors for the period from the conclusion of the ensuring annual general meeting till the conclusion of the next annual general meeting and to fix their remuneration.

### **PARTICULARS OF EMPLOYEES**

The Company continues to maintain cordial relation with its workforce at all locations. Continuous upgradation of core skill through training programmes either internally or through external agencies are an integral parts of human resources development policy.

Information as required under sub-section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended is annexed hereto and forms part of this report.

### **PUBLIC DEPOSITS**

The deposits accepted by the Company are in accordance with the provisions of Section 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975 as amended.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The relevant data pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and forms part of this report.

### **ENTERPRISE RESOURCE PLANNING (ERP)**

A major IT initiative has been undertaken to implement ERP across all plants and offices of the Company. This will take care of the data processing & information needs of the Company and help information sharing and faster decision making. The ERP would cover all functional modules, like finance, manufacturing, marketing.

A fully equipped data centre has been commissioned at Silvassa, with high-end database servers and data communication network equipment with connectivity to all production units and offices. The data centre is equipped with enterprise management software to monitor complete network connectivity and data security systems.

For speedy intra-unit data communication, local area network (LAN) with optical fiber connectivity has been established at all the units. All units and sales offices are getting connected to the Head Office through high bandwidth MPLS-VPN (multi-protocol label switching-virtual private network) connectivity.

To support smooth changeover to ERP system, IT culture and computer awareness is being promoted through continual basic and advance computer training to employees and strengthening the IT infrastructure by installing additional computer hardware.

A new mailing solution ZIMBRA was implemented with a central mail server at the Head Office to have a uniform mailing system across the Company.

The Company will continue to innovate and derive even greater benefits by using information technology as business enabler.

### **INTERNAL AUDIT AND CONTROL**

During the financial year, the Company has appointed M/s. O.P. Rathi & Co., Chartered Accountants, Vadodara, Gujarat as Internal Auditors and started implementing recommendations of the Internal Auditors. The findings of the Internal Auditors are being discussed on an on-going basis with the concerned operation and process divisions and corrective actions are taken. Internal Audit reports are discussed in Audit Committee meetings.

### **ENVIRONMENT, SAFETY AND HEALTH**

The Environment, Safety and Health are the overriding considerations of the Company. The state-of-art manufacturing equipment and technology meets the requirements of International Standards. Continual training on EMS and OHSAS, awareness on environmental aspects and impacts has led to a good performance on this front.

Your Company's unit Salasar Copper has been audited for ISO 14001:2004 and OHSAS 18001:2007 successfully.

### **CORPORATE SOCIAL RESPONSIBILITY**

Your Company considers Corporate Social Responsibility as an opportunity to give back to the society and it consistently put this philosophy in to action. As a responsible corporate citizen, your Company tries to contribute for social and environmental causes on a regular basis.

### **ACKNOWLEDGEMENTS**

The Directors express their grateful appreciation for the support and co-operation received from the Banks, Government Authorities, Customers, Vendors and Members during the year under review. The Directors wish to place on record their deep sense of appreciation for the committed services of the Executives, Staff and Workers of the Company.

For and on behalf of the Board

Place : Mumbai  
Date : 25<sup>th</sup> May, 2010

**Rameshwarlal Kabra**  
Chairman

## ANNEXURE TO THE DIRECTORS' REPORT

### I. Information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2010.

#### A. CONSERVATION OF ENERGY

Energy Conservation has direct impact on Global warming which is a serious concern at both National & International level. This is because, major Source of Electricity generation is from thermal Power plants, in which every unit of electricity produced adds to the emission of Carbon dioxide into the atmosphere, which is the main cause for Global warming.

Therefore, by conserving Energy, apart from reducing wastage and consequently reducing cost of production, your Company takes active role in reducing Global warming.

In line with the Company's policy of conserving energy, Company continues to import Energy efficient In line- Drawing & Enamelling Plants with automatic system for it's capacity addition during the year 2009-10.

Primary criteria in selection of additional Machinery & Equipment lies in it's energy efficiency, as done in the past. Company has adopted in it's policy, energy conservation measures like monitoring of energy consumption daily, machine wise, consumption analysis, energy accounting & audit, preventive & corrective action for non conformity found, if any, on a regular & continuous basis.

#### Total energy consumption and energy consumption per unit of production

Form 'A' of the annexure to the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, is not applicable.

#### B. TECHNOLOGY ABSORPTION

Company continues to import latest version of Enamelling Plants, which improves quality of products and reduces running cost. Company has not imported any technology and process. Depending upon the market needs, company continues to develop processing techniques & testing methods, in house, in line with international developments.

#### C. FOREIGN EXCHANGE EARNING AND OUTGO

(Rs. in Lacs)

	2009-10	2008-09
Total Foreign Exchange earned	Nil	464.34
Total Foreign Exchange used	1,838.99	5,259.10

### II. Information as required under sub-section (2A) of Section 217 of the Companies Act, 1956, as amended by the Companies (amendment) Act, 1988 and read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Director's report for the year ended 31<sup>st</sup> March, 2010.

Name	Date of Birth	Designation	Qualification	Gross Remuneration	Experience (years)	Date of Joining	Previous Employment
Tribhuvanprasad Kabra	11-06-1955	Managing Director	B.Com.	94.13 Lacs	37	29-9-1993	Kabel Buildcon Solutions Pvt. Ltd.

For and on behalf of the Board

Place : Mumbai  
 Date : 25<sup>th</sup> May, 2010

**Rameshwarlal Kabra**  
 Chairman



## REPORT ON CORPORATE GOVERNANCE

### A. MANDATORY REQUIREMENTS

#### 1) Company's Philosophy on code of Corporate Governance:

In order to ensure sustainable returns to all the stakeholders of the Company, to attain transparency, accountability and propriety in the overall functioning of the Company, the Company has adopted practices of good Corporate Governance.

Good Corporate Governance has always been an integral part of the Company's business philosophy. In line with the Ram Ratna Group policy, your Company ensures and maintains at all times, highest level of transparency, accountability for performance, effective management by a duly constituted Board and adequate and timely disclosures of financial and other information. The Company has laid down a code of conduct for the Board members and senior management and the code of conduct has been placed on the website of the Company.

#### 2) Board of Directors:

##### 2.1 Composition and Category of Directors:

The Board of Directors of your Company is constituted in conformity with clause 49 of the Listing Agreement with Stock Exchange and comprises of Eight (8) Directors as on 31<sup>st</sup> March, 2010 representing the optimum combination of professionalism, knowledge and experience. Of these Eight (8) Directors, one (1) is Executive Director and Seven (7) are Non-Executive Directors of which Four (4) are Independent. The Chairman of the Board is a Non-Executive Director.

The composition and other details of Board of Directors on the Board of the Company as on 31<sup>st</sup> March, 2010 is as under:

Name of the Directors	Designation	Independent / Non – Independent	Shareholding in the Company (No. of Shares)
Shri Rameshwarlal Kabra	Chairman, Non-Executive	Non-Independent	52,600
Shri Tribhuvanprasad Kabra	Managing Director	Non-Independent	2,17,733
Shri Mahendra Kumar Kabra	Director	Non-Independent	9,33,983
Shri Vishnu Anant Mahajan	Director	Independent	2,700
Shri Satyanarayan Loya	Director	Non-Independent	10,700
Shri Mukund Chitale	Director	Independent	Nil
Shri Ajai Singh	Director	Independent	Nil
Shri Naveen Kumar Mandhana	Director	Independent	Nil

##### 2.2 Boards functioning and Procedure:

The Board plays a pivotal role in ensuring good governance. The Board's role, functions, responsibility and accountability are clearly defined. In addition to its primary role of setting corporate goals and monitoring corporate performance, it directs and guides the activities of the Management towards the attainment of goals and determines accountability with a view to ensure that the Corporate Philosophy and mission viz. to create long term sustainable growth that translates itself into progress, prosperity and the fulfillment of stakeholders' aspirations is accomplished. It also sets standards of Corporate Behaviour and ensures ethical behaviour at all times and strict compliance with laws and regulations.

Attendance of each Director at the Board of Directors meeting held during the year 2009-10, at the last Annual General Meeting and number of other Company's Board or Board Committees in which each of the Directors of the Company is a member or Chairman are as follows:

Name of the Directors	No. of Board Meetings during the year 5 (Five)	Attended last AGM	Number of other		
	Attended		Directorships	Committee Memberships	Committee Chairmanships
Shri Rameshwarlal Kabra	4	Yes	0	0	0
Shri Tribhuvanprasad Kabra	4	Yes	2	0	0
Shri Mahendra Kumar Kabra	3	Yes	1	0	0
Shri Vishnu Anant Mahajan	4	Yes	0	0	0
Shri Satyanarayan Loya	5	Yes	1	0	0
Shri Mukund Chitale	3	Yes	8	7	3
Shri Ajai Singh	5	Yes	0	0	0
Shri Naveen Kumar Mandhana	1	Yes	2	0	0

Notes: Private limited companies, foreign companies and companies under section 25 of the Companies Act, 1956 are excluded for the above purposes. Only audit committee and shareholders' grievance committee are considered for the purpose of committee positions as per listing agreement.

None of the director was a member in more than ten committees, nor a chairman in more than five committees across all companies in which he was a director.

#### Number of Board Meetings held and the dates on which held:

During the year ended 31<sup>st</sup> March, 2010, five Board Meetings were held on 28<sup>th</sup> April, 2009, 12<sup>th</sup> June, 2009, 31<sup>st</sup> July, 2009, 26<sup>th</sup> October, 2009 and 30<sup>th</sup> January, 2010 and the following matters inter alia were considered and approved :

- Quarterly, Half yearly and Annual Financial results of the Company and its Business Segments;
- Annual operating plans and budgets and any updates thereon;
- Capital budgets and any updates thereof;
- Secretarial Audit Report;
- Appointment of Statutory Auditor and Internal Auditor.

#### Information placed before the Board of Directors:

The Board is presented with all the materially significant information of the Company. The following information is regularly provided to the Board either as a part of the agenda papers in advance of the Board Meetings or are tabled in the course of the Board Meetings:

- Operating plans of Business, capital budgets and other updates;
- Minutes of the meetings of the Audit Committee and other Committees;
- Legal compliance report and certificate;
- Review of foreign exchange exposures and exchange rate movement, if material;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any;
- Any material default in financial obligations to and by the Company or substantial non-recoveries against sale, if any;
- Materially important litigations, show cause, demand, prosecution and penalty notices, if any;

- viii. Significant labour problems and their proposed solutions. Any significant development in human resources/industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme etc.;
- ix. Non-compliance of any regulatory, statutory or listing requirements and shareholders' service such as non-payment of dividend, delay in share transfer etc.;
- x. Issues relating to shareholders such as ratification of transfers, demat status, pending grievances, issue of duplicate share certificates etc.;
- xi. Contracts in which Director(s) are deemed to be interested;
- xii. Details of investment of surplus funds available with the Company;
- xiii. General disclosure of interest.

#### **Post meeting follow-up Mechanism:**

The guidelines for Board and Committee meetings facilitate an effective post-meeting follow-up, review and reporting process for the decisions taken in the Board and the Committee meetings. The current status of follow up action on the decisions taken is reported to the Board and the Committees thereof in every meeting.

#### **Compliance:**

The Compliance Officer of the Company is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 1956 read with the rules issued there under.

### **2.3 Committees of the Board:**

The Board has three Committees – the Audit Committee, the Shareholders/Investors Grievance Committee and the Remuneration Committee.

The Board is responsible for the constitution, co-opting and fixing the terms of reference for Committee members of the said Committees.

#### **I. Audit Committee:**

##### **Terms of reference**

##### **a) Primary objectives of the Audit Committee:**

The Audit Committee acts as a link between the Statutory Auditors and the Board of Directors. The Audit Committee of the Company inter-alia, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures. The primary objective of the Audit Committee (the "Committee") is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the management, including the independent auditors and notes the process and safeguards employed by each.

##### **b) Broad terms of reference of the Audit Committee:**

- i. Provide an open avenue of communication between the independent auditors and the Board of Directors ("BoD")
- ii. Recommending the appointment and removal of statutory auditors, fixation of audit fees and also to approve the payment for other services
- iii. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible

- iv. Meet four times a year or more frequently as circumstances require. The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary
- v. Confirm and assure the independence of the external auditors
- vi. Review with independent auditors, the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources
- vii. Consider and review with the independent auditor the adequacy of internal controls including the computerised information system controls and security
- viii. Reviewing with the management, the quarterly financial statements before submission to the Board for approval
- ix. Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems
- x. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
  - Any changes in the accounting policies and practices;
  - Disclosure of related party transactions;
  - The going concern assumption;
  - Compliance with Accounting Standards;
  - Compliance with Stock Exchange and legal requirements concerning financial statements;
  - Significant adjustment arising out of audit findings;
  - Qualifications, if any, in the draft audit report;
  - Matters required to be included in Director's Responsibility Statement as appear in Board of Directors' Report.
- xi. Consider and review with the management and the independent auditors:
  - Significant findings during the year, including the status of previous audit recommendations;
  - Any difficulties encountered in the course of audit work including any restrictions on the scope of activities or access to required information.
- xii. Review of the following information:
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions submitted by the Management;
  - Management letters/letters of internal controls, weaknesses issued by the Statutory and internal Auditors.

**c) Composition, name of members and Chairman:**

The Audit Committee of the Board of Directors of the Company has been constituted in accordance with the Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The statutory auditors, internal auditors and Senior executives are regularly invited to the Audit Committee Meetings.

The Committee consists of the following members as on 31<sup>st</sup> March, 2010:

1. Shri Vishnu Anant Mahajan, Chairman
2. Shri Satyanarayan Loya
3. Shri Mukund Chitale

All members of the Audit Committee have accounting and financial management expertise. Shri Vishnu Anant Mahajan, Chairman of the Audit Committee had attended the last Annual General Meeting held on 1<sup>st</sup> September, 2009.

**d) Meetings and attendance during the year:**

During the financial year ended 31<sup>st</sup> March, 2010, five Audit Committee Meetings were held i.e. on 28<sup>th</sup> April, 2009, 12<sup>th</sup> June, 2009, 31<sup>st</sup> July, 2009, 26<sup>th</sup> October, 2009 and 30<sup>th</sup> January, 2010. The table hereunder gives the attendance record of the Audit Committee members.

Name of the Audit Committee Members	Position	No. of meetings attended
Shri Vishnu Anant Mahajan (Chairman)	Non-Executive, Independent Director	4
Shri Satyanarayan Loya	Non-Executive Director	5
Shri Mukund Chitale	Non-Executive, Independent Director	3

The Committee has recommended to the Board the appointment of M/s. V.C. Darak & Associates, Chartered Accountants, as the Statutory auditors of the Company for the Financial Year 2010-2011 and that necessary resolution for appointing them as auditors be placed before the shareholders in the ensuing Annual General Meeting.

**II. Remuneration Committee:**

**a) Brief description and terms of reference:**

The Committee comprises of the following members: Shri Vishnu Anant Mahajan, (Chairman), Shri Satyanarayan Loya, Shri Mukund Chitale and Shri Ajai Singh, all being Non-Executive Directors.

The scope of this committee is to determine and recommend to the Board the compensation of the Executive Directors and senior management personnel. The Committee may also approve, allocate and administer the Employee Stock Option Schemes and other related matters. Presently, the Company does not have any stock option plan or performance linked incentives for its Directors.

No Remuneration Committee meeting held during the financial year ended 31<sup>st</sup> March, 2010.

**b) Remuneration Policy:**

Non-Executive Directors are paid sitting fees for each meeting of the Board and committees of the Board attended by them. The appointment and remuneration of the Managing Director and other Executive Directors is governed by resolutions passed by the Board of Directors and shareholders of the Company, which covers terms of such appointment, read with the service rules of the Company. Remuneration paid to the Managing Director and other Executive Directors is recommended by the Remuneration Committee, approved by the Board and is within the limits set by the shareholders at the General Meetings.

c) **Details of Remuneration paid to all the Directors for the Financial Year ended 31<sup>st</sup> March, 2010 are as under:**

**Executive Directors**

(Rs. in Lacs)

Name & Position	Pay & Allowance	Perquisites	Total	Retirement Benefits
Shri Tribhuvanprasad Kabra, Managing Director	94.10	0.03	94.13	NIL

**Non-Executive Directors**

(Rs. in Lacs)

Name of the Directors	Sitting Fees paid for attending Meetings of		
	Board	Audit Committee	Remuneration Committee
Shri Rameshwarlal Kabra	0.20	Nil	Nil
Shri Mahendra Kumar Kabra	0.15	Nil	Nil
Shri Satyanarayan Loya	0.25	0.25	Nil
Shri Vishnu Anant Mahajan	0.20	0.20	Nil
Shri Mukund Chitale	0.15	0.15	Nil
Shri Ajai Singh	0.25	Nil	Nil
Shri Naveen Kumar Mandhana	0.05	Nil	Nil

**III. Shareholders/Investors Grievance and Share Transfer Committee:**

a) **Composition:**

The Shareholders/Investors Grievance Committee comprises of the following members:

- Shri Satyanarayan Loya, Chairman
- Shri Rameshwarlal Kabra

Shri Satish Agarwal, Vice President (Commercial) acts as the Compliance Officer.

b) **Scope:**

The scope of the Shareholders/Investors Grievance Committee is to review and address shareholders and investors' complaints and grievances in respect of share transfers, transmissions, non-receipt of annual report, non-receipt of dividends etc. and recommends measures which can facilitate better investors' services and relations.

c) **Meetings and Attendance:**

During the financial year ended 31<sup>st</sup> March, 2010, three Shareholders/Investors Grievance Committee Meetings were held i.e. on 30<sup>th</sup> June, 2009, 30<sup>th</sup> September 2009, 31<sup>st</sup> March 2010. The table hereunder gives the attendance record of the Shareholders/Investors Committee members.

Name of the Shareholders / Investors Grievance Committee members	Position	No. of meetings attended
Shri Satyanarayan Loya (Chairman)	Non-Executive Director	3
Shri Rameshwarlal Kabra	Non-Executive Director	3

The Committee expresses satisfaction with the Company's performance in dealing with investors grievance and its share transfer system.

During the year, the Company has received and attended to 3 complaints. There were no pending / unattended complaints as on 31<sup>st</sup> March, 2010.

Nature of complaints received and attended to during the year 2009-10:

Nature of complaint	Pending As on 01-04-09	Received During the year	Resolved During the year	Pending As on 31-03-10
Transfer/Transmission /Duplicate	-	-	-	-
Non-receipt of Dividend	-	3	3	-
Non-receipt of Refund Order	-	-	-	-
Dematerialisation/Rematerialisation of shares	-	-	-	-
<b>Complaints received from:</b>				
Securities and Exchange Board of India	-	-	-	-
Stock Exchange	-	-	-	-
Registrar of Companies/Department of Company Affairs	-	-	-	-
Legal	-	-	-	-
<b>Total</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>-</b>

As per the revised Clause 49 of the Listing Agreement and to expedite the process of share transfers, the Board has delegated the powers of share transfers and related matters to Share Transfer Committee comprising of Shri Satyanarayan Loya, Director and Shri Satish Agarwal, Vice President (Commercial). The Committee meets once in a fortnight and approves all the matters related to shares i.e. share transfer, transmission, dematerialisation and rematerialisation of shares etc.

### 3. General Body Meetings:

Details of General Body Meetings held in last three years are given hereunder:

#### Annual General Meeting

Year	Date	Venue	Time	Special resolution(s) passed
2007	31-08-2007	Maheshwari Bhavan, 603 Jagannath Shankar Seth Road, Mumbai – 400 002	11:00 a.m.	None
2008	28-08-2008	Maheshwari Bhavan, 603 Jagannath Shankar Seth Road, Mumbai – 400 002	11:00 a.m.	Re-appointment of Shri Tribhuvanprasad Kabra as Managing Director.
2009	01-09-2009	Maheshwari Bhavan, Plot No. R-14 &15, Oshiwara New Link Road, Andheri (W) Mumbai – 400 053	04:30 p.m.	Keeping Register of Members, index of Members and other related books at the premises of Company's Registrar and Share Transfer Agents

#### Postal ballots

No Special Resolution requiring postal ballot was placed before the last Annual General Meeting. No Special Resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting.



**4) Secretarial Compliance Report:**

a. As a measure of good Corporate Governance practice, though not legally required, a Secretarial Audit on the compliance of corporate laws and SEBI regulations was conducted by M/s. Rathi & Associates, Practicing Company Secretaries for the financial year ended 31<sup>st</sup> March, 2010.

b. Secretarial Audit Report

Quarterly Secretarial Audit Reports on reconciliation of the total admitted capital with CDSL & NSDL and the total issued and listed capital were furnished to the Stock Exchange on the following dates:

<b>For the quarter ended</b>	<b>Furnished on</b>
30 <sup>th</sup> June, 2009	17 <sup>th</sup> July, 2009
30 <sup>th</sup> September, 2009	14 <sup>th</sup> October, 2009
31 <sup>st</sup> December, 2009	15 <sup>th</sup> January, 2010
31 <sup>st</sup> March, 2010	28 <sup>th</sup> April, 2010

**5) Secretarial Standards:**

The Institute of Company Secretaries of India has issued Secretarial Standards on Board, General Meetings, Dividend and Registers and Records, Minutes, Transmission of Shares and Debentures, Passing Resolution by circulation, affixing of Common Seal, Forfeiture of Shares, Board's Report that are presently recommendatory. The Company's practices and procedures mostly meet with these prescriptions, wherever applicable.

**6) Quarterly Compliance Report on Corporate Governance:**

The Company has submitted for each of the four quarters during the year 2009-10, the Compliance Report on Corporate Governance to stock exchange in the prescribed format within 15 days from the close of the quarter.

**7) Disclosures:**
**(i) Related Party Transactions:**

The transactions of material nature with Directors/Promoters or related entities do not have any potential conflict with the interests of the Company at large. Related Party Transactions are disclosed in the Notes to the Accounts forming part of this Annual Report.

**(ii) Compliances by the Company:**

There is no non-compliance by the Company or any penalties, strictures imposed by the Stock Exchange, SEBI or any other statutory authority on any matter related to Capital Markets, during the last three years.

**(iii) Whistle Blower Policy and Access of personnel to the Audit Committee:**

The Company has not established the non-mandatory requirement of Whistle Blower Policy. However, the Company's personnel have access to the Chairman of the Audit Committee in cases such as concerns about unethical behavior, frauds and other grievances. No personnel of the Company have been denied access to the Audit Committee.

**(iv) Compliance with the Mandatory requirements and Implementation of the Non-mandatory requirements:**

The Company has complied with the mandatory requirements of the Corporate Governance Clause 49 of Listing Agreement. The Company has not implemented the non-mandatory requirements enlisted by way of annexure to Clause 49 of the Listing agreement except the constitution of Remuneration Committee.

## 8) Means of Communication

- |  |   |  |
|--|---|--|
| a) Half-yearly report sent to each of the shareholders   | : | No. *  |
| b) Quarterly results published in  | : | The Economic Times – English<br>Maharashtra Times – Marathi                                  |
| c) Whether the website also displays official news releases and presentations to the media, analysts, institutional investors' etc | : | No   |
| d) Audited financial results published in  | : | The Economic Times – English<br>Maharashtra Times – Marathi<br>The Economic Times – Gujarati |
| e) Whether MD&A (Management Discussion & Analysis) is a part of Annual Report?   | : | Yes  |
- \* As the results are published in newspapers having wide circulation, half yearly results are not sent separately to each shareholder.
- f) No presentations were made to the institutional investors or to analysts during the year under review.

The Company also informs by way of intimation to the Stock Exchange all price sensitive matters and such other matters which in its opinion are material and of relevance to the Shareholders and subsequently issues a Press Release on the said matters.

## 9) Certificate on Corporate Governance:

As required by Clause 49 of the Listing Agreement, a certificate issued by M/s. Rathi & Associates, Practicing Company Secretaries, Mumbai regarding compliance with Corporate Governance norms is given as an annexure to this report.

## 10) CEO declaration:

As required by Clause 49 of the Listing Agreement, all the Board of Directors and senior Management Personnel have affirmed compliance of the Company's Code of Conduct. A declaration to this effect, signed by the Managing Director is annexed to this Report.

## 11) General Shareholders' Information:

### Annual General Meeting

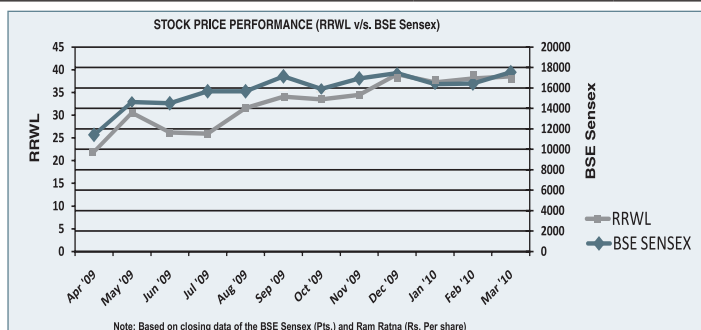
- |  |   |   |
|--|---|---|
| <b>(i) Date and Time</b>   | : | 13 <sup>th</sup> August, 2010, 11:30 a.m.   |
| <b>Venue</b>   | : | Maheshwari Bhavan, Plot No. R-14 & 15, Oshiwara, New Link Road Ext., Opp. Tarapur Garden, Andheri (West), Mumbai – 400 053  |
| <b>(ii) Financial Calender (tentative and subject to change)</b> | : | Reporting for Un-audited Financial Results for the quarter ending<br>June 30, 2010 : By 14 <sup>th</sup> August, 2010<br>September 30, 2010 : By 14 <sup>th</sup> November, 2010<br>December 31, 2010 : By 14 <sup>th</sup> February, 2011<br>March 31, 2011 : By 15 <sup>th</sup> May, 2011<br>Annual General Meeting for year ending March 31, 2011 : By 30 <sup>th</sup> September, 2011 |
| <b>(iii) Dates of book closure</b>                               | : | 7 <sup>th</sup> August, 2010 to 13 <sup>th</sup> August, 2010 (both days inclusive)   |
| <b>(iv) Dividend Payment</b>                                     | : | On or after 18 <sup>th</sup> August, 2010   |

- (v) **Registered Office** : Ram Ratna House, Oasis Complex,  
 P.B. Marg, Worli, Mumbai – 400 013.  
 Tel. No.: 91-22-2492 4144/2494 9009  
 Fax No.: 91-22-2491 0819  
 Email: investor\_grievance@ramratna.com  
 satish.agarwal@ramratna.com
- (vi) **Listing of Equity Shares**
- (a) **Stock Exchange** : The Equity Shares of the Company are listed on Bombay Stock Exchange Limited
- (b) **Depository** : Central Depository Services (India) Ltd. and National Securities Depository Ltd.  
 Annual Listing Fees as prescribed has been paid for the year 2010 – 2011.
- (vii) **Stock Exchange Code** : Bombay Stock Exchange Limited – 522281
- (viii) **Disclosures regarding re-appointment of Directors:** : Pursuant to the provisions of Sections 255 & 256 of the Companies Act, 1956, Shri Vishnu Anant Mahajan and Shri Mukund Chitale shall retire by rotation at the forthcoming Annual General Meeting.  
 The Board has recommended the re-appointment of the said Directors to the shareholders. The detailed resume of Directors proposed to be re-appointed is provided in the notice of the Annual General Meeting.

(ix) **Stock Market price data relating to the shares:**

Monthly high and low at the Bombay Stock Exchange Limited for financial year ended 31<sup>st</sup> March, 2010:

Month	Volume of Shares	Bombay Stock Exchange Limited	
		High (Rs.)	Low (Rs.)
April, 2009	12,003	24.30	19.25
May, 2009	31,078	30.55	21.20
June, 2009	40,860	32.95	24.00
July, 2009	11,106	28.00	21.00
August, 2009	35,889	33.00	26.00
September, 2009	97,616	43.00	28.50
October, 2009	39,146	35.70	30.55
November, 2009	31,628	38.60	31.20
December, 2009	81,654	41.10	34.55
January, 2010	67,808	44.00	35.00
February, 2010	1,08,324	45.50	36.05
March, 2010	1,14,496	44.50	35.15



**(x) Registrar and Share Transfer Agent:**

The Company's shares being in compulsory dematerialise (demat) list are transferable through the depository system. Shares in physical form are processed by the Registrar and Share Transfer Agent and approved by Share Transfer Committee of the Company. Shares sent for physical transfer are generally registered and returned within a period of 30 days from the date of receipt, if the documents are complete in all respects.

The total number of shares transferred in physical form during the year 2009-10 was 3100 shares.

**(xi) Share Transfer System:**

- (i) As per the Guidelines of SEBI/Stock Exchanges, a Demat Option Letter is sent to the transferees, seeking their option, as to whether the shares transferred in their name, would be demated by them or they would like to hold the shares, in physical form. After 30 days time, if the Demat Request Form is not received along with the Demat Option Letter, duly accepted, physical share certificates are dispatched to the transferees.
- (ii) The Shareholders/Investors Grievance Committee meets as often as required. As per Clause 49 of the Listing Agreement and to expedite the process of share transfers, the Board has delegated the powers of share transfers and related matters to Shri Satyanarayan Loya, Director and Shri Satish Agarwal, Vice President (Commercial) who attends to share transfer formalities at least once in a fortnight.
- (iii) Nomination facility for shareholding: As per the provisions of the amended Companies Act, 1956, facility for making nomination is available for shareholders in respect of shares held by them. Nomination forms can be obtained from the share transfer agent.
- (iv) Payment of dividend through Electronic Clearing Services : The Securities and Exchange Board of India (SEBI) has made it mandatory for all Companies to use the bank account details furnished by the depositories for depositing dividends through Electronic Clearing Service (ECS) to the Investors wherever ECS and Bank details are available. In the absence of ECS facility the Company is required to print the Bank account details if available on payment instruments for distribution of dividend etc. to the shareholders.
- (v) Unclaimed dividends: The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. Unpaid/ unclaimed dividend for the year 31<sup>st</sup> March, 2003, if any, will be transferred to the Investor Education and Protection Fund with in the prescribed time-limit.

**(xii) Dividend History (Last 7 Years)**

(Rs. in Lacs)

Financial Year	Dividend %	Total Dividend	Unpaid / Unclaimed	Due date for Transfer
2002-03	5.00	38.35	1.01	29-10-2010
2003-04	10.00	76.70	1.92	27-10-2011
2004-05	12.50	118.38	2.18	27-10-2012
2005-06	12.50	118.38	1.91	30-10-2013
2006-07	7.50	71.02	0.73	07-10-2014
2007-08	15.00	165.00	2.36	05-10-2015
2008-09	7.50	82.50	1.52	08-10-2016

**(xiii) Distribution of Shareholding as on 31<sup>st</sup> March, 2010:**

No. of Equity Shares held	Shareholders		Shares	
	Numbers	% to total Shareholders	Numbers	% to total Capital
1 - 500	4,085	86.71	5,67,093	5.15
501 - 1000	255	5.41	2,22,515	2.02
1001 - 5000	260	5.52	6,41,073	5.83
5001 - 10000	42	0.89	3,16,690	2.88
10001 & above	69	1.47	92,52,629	84.12
<b>Total</b>	<b>4,711</b>	<b>100.00</b>	<b>1,10,00,000</b>	<b>100.00</b>

**(xiv) Categories of Shareholding as on 31<sup>st</sup> March, 2010:**

Category	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
<b>PROMOTERS' HOLDING</b>				
Indian Promoters	24	0.51	72,79,677	66.18
Foreign Promoter	1	0.02	7,00,000	6.36
<b>Total of Promoter Holding</b>	<b>25</b>	<b>0.53</b>	<b>79,79,677</b>	<b>72.54</b>
<b>NON- PROMOTERS' HOLDING</b>				
Institutional Investors				
Banks, FIs, Insurance Cos.	1	0.02	1,800	0.02
Others				
Private Corporate Bodies	103	2.19	2,31,148	2.10
Indian Public	4,576	97.13	27,76,495	25.24
NRIs / OCBs	6	0.13	10,880	0.10
<b>Total of Non-Promoter Holding</b>	<b>4,686</b>	<b>99.47</b>	<b>30,20,323</b>	<b>27.46</b>
<b>Grand Total</b>	<b>4,711</b>	<b>100.00</b>	<b>1,10,00,000</b>	<b>100.00</b>

**(xv) Dematerialisation of shares and liquidity:**

The Company has established connectivity with Central Depository Services (India) Limited and National Securities Depository Limited for dematerialisation of shares and the same are available in electronic segment under ISIN No. INE207E01015.

As on 31<sup>st</sup> March 2010

Form	No. of shares
Demat	94,14,549
Physical	15,85,451
<b>Total</b>	<b>1,10,00,000</b>

**(xvi) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity:**

There are no GDRs/ADRs/Warrants or any Convertible Instruments pending conversion or any other instrument likely to impact the equity share capital of the Company.

**12) Plant Locations:**

- 1) Survey No. 212/2, Near Dadra Check Post, Village : Dadra, Silvassa - 396 193, (U.T. of D & NH)
- 2) Survey No. 142/2, Madhuban Dam Road, Village : Rakholi, Silvassa - 396 240, (U.T. of D & NH)

**13) Address for correspondence:**

Registrar and Share Transfer Agent (share transfer and communication regarding share certificates, dividends and change of address)	Sharepro Services (India) Pvt. Ltd. 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai -400 072. Tel.No.:91-22-67720300 / 51 / 52 / 53 Fax No.:91-22-28375646 E-mail: sharepro@vsnl.com
Compliance Officer	Shri Satish Agarwal, Vice President (Commercial) Ram Ratna House, Oasis Complex, P.B. Marg, Worli, Mumbai - 400 013 Tel.No.:91-22-24924144/24949009 Fax No.:91-22-24910819 E-mail: investor_grievance@ramratna.com satish.agarwal@ramratna.com

**14) Request to Investors:**

- a) Investors are requested to communicate change of address, if any, directly to the Registrar and Share Transfer Agent of the Company at the above address.
- b) As required by SEBI, investors shall furnish details of their bank account number and name and address of the bank for incorporating the same in the warrants. This would avoid wrong credits being obtained by unauthorized persons.
- c) The shareholders are requested to dematerialise their physical share certificates, through a depository participant. Shareholders requiring any further clarification/assistance on the subject may contact the Company's share transfer agent.
- d) Investors who have not availed nomination facility are requested to avail the same by submitting the nomination form. The form will be made available on request.
- e) Investors holding shares in electronic form are requested to deal only with their depository participant in respect of change of address, nomination facility and furnishing bank account number etc.
- f) Members who have not encashed their dividend warrants in respect of dividends declared for the year ended 31<sup>st</sup> March 2003 and for any financial year thereafter may contact the Registrar and Share Transfer Agent of the Company. Members are requested to note that the dividend not claimed for a period of seven years from the date they first became due for payment shall be transferred to Investor Education and Protection Fund (IEPF) in terms of Section 205C of the Companies Act, 1956.

**B. NON-MANDATORY REQUIREMENTS**

**1. The Board:**

- a) Whether Chairman of the Board is entitled to maintain a Chairman's Office at the Company's expenses and also allowed reimbursement of expenses incurred in performance of his duties :

The Chairman is a Non-Executive Director in the Company. The Chairman does not maintain an office at the Company's expenses.

- b) Independent Directors may have a tenure not exceeding in the aggregate, a period of nine years, on the Board of the Company.

Presently the Company has not adopted the above non-mandatory requirement.

**2. Remuneration Committee:**

The Company has formed Remuneration Committee. The details are mentioned at 2.3 (II).

**3. Shareholders' Rights:**

The quarterly and half-yearly results of the Company are published in one English and one regional newspaper having wide circulation (vide para 8(b) of this Report). The results are not sent to the shareholders individually.

**4. Audit Qualification:**

The Company has generally ensured to remain in the regime of unqualified financial statement.

**5. Training of Board Members:**

Presently the Company does not have training programme for Board Members.

**6. Mechanism for evaluating Non-Executive Board Members:**

Presently the Company does not have any mechanism for evaluating the performance of Non-executive Board Members.

**7. Whistle Blower Policy:**

Presently the Company does not have a Whistle Blower Policy.

For and on behalf of the Board

Place : Mumbai  
Date : 25<sup>th</sup> May, 2010

**Rameshwarlal Kabra**  
**Chairman**

**REGISTERED OFFICE:**

Ram Ratna House, Oasis Complex,  
P.B. Marg, Worli, Mumbai – 400 013



## MANAGEMENT DISCUSSION AND ANALYSIS

### I. INDUSTRY SCENARIO:

#### A) Industry structure

The economic scenario of India is undergoing a sea change. The Government's priority is on development of infrastructure. Telecom, Power Generation, T & D, Engineering & Automotive sectors are on the growth path. The Indian wire & cable industry has been largely driven by the growth of these industry sectors. The rapid growth in these sectors augurs well for and will give a boost to the Indian wire & cable industry.

Your Company manufactures, mainly, winding wires & strips which are used for a wide variety of applications in Electrical, Electro-Mechanical, Electronic & telecommunication equipments which are either rotating type like, Motors & Generators or Static like Transformer, UPS, relay coil etc. Enamelled Copper wire constitutes more than 80% of winding Wire production in India.

The Company has diversified its products which include, Submersible winding wire, Paper insulated wires & strips, Fiber Glass covered strips and enameled Fiber glass covered wires & strips, Aluminium winding Wire, which are at low level of production, compared to Enamelled Copper wire & strips.

#### B) Development, Modernization & Expansion

Dadra factory which is the parent unit of Ram Ratna Wires Ltd, commissioned in 1995 has been planned for modernization of its old Plants & technology, in tune with Company's policy of keeping in pace with the technological development prevailing at international level and also to cover the complete range of sizes in round enameled wire. The planned capacity is for 347 Metric Ton per month. There is growing demand for these additional Sizes in fine & superfine wire which are used for manufacture of servomotors, miniature relays chokes, transformers and other equipments used in electronic & Telecommunication sector. At the moment some quantity of enameled copper wire in finer sizes are also imported. The Expansion is planned for tapping these local demands and also eventually for export.

#### C) Outlook

Growth of Indian Winding wire Industry is assured as it is directly linked with our growth in power generation. GDP and purchasing power of growing middle class in India.

The Eleventh Plan (2007- 2012) will add 62, 374 MW of Capacity for power Generation (Source IEEMA January 2010 edition, Interview with Minister of State for Power). Capacity addition planned during 12<sup>th</sup> Plan is another 100,000 MW. (Source, Summary of industry report 2008-09, IEEMA, February 2010 edition). Still, Per capita consumption of Electricity in India has been amongst the lowest in the world. Therefore, to bridge this gap, very large addition to the capacity in power generation is expected, in future.

Indian Economy, which is world's second fastest growing one, has been showing impressive growth in GDP. Steady growth in wage increase of both Private & Public Sector employees in India, Tax incentives given to them and also availability of low interest loan, will enhance the purchasing power of large section of our 1.2 Billion people, which will push up the demand for house hold electrical equipments which needs winding wire, both in rural & urban India, and therefore, outlook for winding wire industry is very bright.

#### D) Opportunities and threats

Indian Electrical Industry has been showing impressive growth for the last couple of years and it is likely to continue to grow due to the domestic demand as well as growth in exports. While this is an opportunity for growth, fluctuating Copper prices in the international market and stringent delivery schedule at very short notice from domestic Customers, poses threats to the profitability of the Company. Company also has to face tough competition from other leading manufacturers in winding wire Industry, in India & abroad.

## II REVIEW OF OPERATIONS :

### A) Segment-wise or product-wise performance

#### Production

(in MTs)

Description	2009-10	2008-09
Enamelled Copper Wire	9,921	8,289
Enamelled Copper Strips	410	282
Copper Strips	129	228
Submersible Winding Wire	175	7

### B) Risks and Concerns

The Company is fairly exposed to the domestic and global political and economic risks.

The Company also continuously keeps working on getting approvals from new and renowned customers to increase its market share commensurate with its increased capacity.

Copper is major raw material for our business. Copper prices are influenced by the global demand and supply and could vary significantly. These price variations, if not managed adequately, could affect the profitability of the Company. Copper prices over the decade have surged to astronomical highs on benevolent demand from the Asian continent. The prices advanced on rapidly increasing demand for copper from China, India and the other emerging economies of Asia, accompanied by supply side concerns, including workers unrest and strikes in some key mines and smelters, and natural calamities in major copper producing regions.

The Company requires funds for the ongoing operations, growth and expansion projects. It has sufficient committed lines of credit from various banks in India to fund the operations as well as expansion projects. Currently, the Company does not have any long term debt determined in foreign currency at the end of the year.

The Company's manufacturing facilities are based in India and the legal, fiscal and other regulatory regimes of the country play an important role in its performance. Changes in government policies such as changes in import tariffs in India and reduction or curtailment of income tax benefits available to some of our operations in India can pose risks to the Company. It also has a wide customer base and changes in the legal, fiscal or regulatory regimes can also affect the competitiveness of our product and affect the Company's performance.

## III FINANCIAL REVIEW

(Rs. in Lacs)

Description	2009-10	2008-09
Net Sales and Other Income	40,567.79	30,377.04
Total Expenditure	37,860.05	29,245.38
Profit before Interest, Depreciation, Taxation & Extraordinary items	2,707.74	1,131.66
Interest Expenditure (net of income)	560.56	627.14
Depreciation	344.35	286.40
Profit before Extraordinary items and Tax	1,802.83	218.12
Net Profit after tax and Prior Period adjustment	1,170.69	137.10
Earnings Per Share (in Rs.)	10.64	1.25
Debtors outstanding	6,893.38	3,922.26
Inventory	1,598.17	691.14
Fixed Assets	3,053.16	3,025.63

The financial statements have been prepared in accordance with the requirement of the Companies Act, 1956 and the prescribed Accounting Standards. The estimates and judgment to the financial statements has been made on a reasonable basis, in order that the financial statement reflect in a true and fair manner. The forms and substances of transactions are reasonably representing the company's state of affair and the profit for the year.

#### **IV INTERNAL CONTROL SYSTEMS**

The Company has in place adequate internal control systems and review mechanism commensurate with the size and nature of its business. A detailed audit process and audit plan by external agencies cover the key risks identified through the risk management program, wherein existence and effectiveness of the control measures indicated against the risks are verified.

The review of the process and findings is done by the senior management on a monthly basis and is an integral part of the performance management of the organisation.

#### **V ENVIRONMENT**

The company is committed to preserve the environment. The environment policy focuses on:

1. Compliance with the applicable laws and regulations
2. Creating awareness amongst all employees for a clean, green and safe environment
3. Preventing pollution
4. Continually improving the environment performance

The state-of-art manufacturing equipment and technology meets the requirements of International Standards. Continual training on EMS and awareness on environmental aspects and impacts is given.

Your company's unit Salasar Copper has been audited for ISO 14001:2004 successfully.

#### **VI HUMAN RESOURCES DEVELOPMENT**

##### **Training**

The company has a training policy which aims at providing training to all employees. Induction, functional and developmental training programs are held regularly.

During the year, your Chairman has imparted training on core human values to employees at Silvassa every month. Workshops, Seminars, Management Representative Meet are the measures towards training. An educative monthly newsletter also supports learning.

There is significant support from the management to the development of human resources.

##### **Knowledge Management**

Knowledge Management is being developed by involving and sharing of information on key performance parameters at all levels. Ram Ratna Group has a practice of sharing experiences of one company with other Group companies. This gives an edge for developing proactive measures for critical events and works.

##### **Industrial Relations**

The company continues to maintain healthy and cordial industrial relations. The values and the culture of the group foster family feelings amongst all its employees.

## VII SAFETY AND HEALTH

Safety and Health are the overriding considerations of the company. The company has a well defined Safety and Health policy which focuses on

- Providing and maintaining safe workplace, plants and systems
- Providing information, instructions, training and supervision to ensure safety
- Providing personal protective equipments as required
- Continuously reviewing and improving its safety performance

The company has an Environment-Safety-Health (ESH) committee which has members from staff and workers. The ESH committee meets every month to bring proactive measures for safety and health. Celebration of Safety Week has been a major event where even the employee's children and spouses participated in various safety competitions.

Your company's unit Salasar Copper has been audited for OHSAS 18001: 2007 successfully.

## VIII CAUTIONARY STATEMENT:

The Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/ supply and price conditions in the markets in which the Company operates, changes in the government regulations, tax laws and statutes and other incidental factors.

For and on behalf of the Board

Place : Mumbai  
Date : 25<sup>th</sup> May, 2010

**Rameshwarlal Kabra**  
**Chairman**

## CODE OF CONDUCT DECLARATION

Pursuant to Clause 49 (D) of the Listing Agreement entered into with the Stock Exchange, I hereby declare that all the board members and senior management personnel of the Company have affirmed compliances with the Code of Conduct for the year ended 31<sup>st</sup> March, 2010.

Place : Mumbai  
Date : 25<sup>th</sup> May, 2010

**Tribhuvanprasad Kabra**  
Managing Director

---

## PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of  
Ram Ratna Wires Limited

We have examined the compliance of conditions of Corporate Governance by Ram Ratna Wires Limited ("the Company") for the year ended 31<sup>st</sup> March, 2010, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examinations were limited to procedures and implementations 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 management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

As per the records of the Company, there were no investor grievances remaining unattended for a period exceeding one month against the Company.

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

For and on behalf of  
**Rathi & Associates**  
Company Secretaries

Place : Mumbai  
Date : 25<sup>th</sup> May, 2010

**Narayan Rathi**  
Partner  
FCS No.: 1433  
CP No.: 1104

## AUDITORS' REPORT TO THE MEMBERS OF RAM RATNA WIRES LIMITED

We have audited the attached Balance Sheet of Ram Ratna Wires Limited as at 31<sup>st</sup> March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. 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, 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. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

- 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
- e) on the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a Director in terms of Section 274(1)(g) 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 together with notes thereon on give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
  - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010;
  - (ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
  - (iii) in the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

**For V.C. Darak & Associates**  
Chartered Accountants  
Firm Registration No.: 119336W

Place : Mumbai  
Date : 25<sup>th</sup> May, 2010

**V.C. Darak**  
Proprietor  
M.No.6307

## ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in the Auditors' Report to the members of Ram Ratna Wires Limited for the year ended 31<sup>st</sup> March, 2010. We report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Fixed Assets have been physically verified by the Management at reasonable intervals. The frequency of verification is reasonable having regard to the size of the Company and the nature of its business. No material discrepancies were noticed by the Management on such verification as compared with the records of fixed assets maintained by the Company.
- (c) No substantial part of fixed assets has been disposed off during the year. The going concern concept is not affected.
- (ii) (a) As explained to us the Company has conducted physical verification of inventory during the year at reasonable intervals.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventories. No material discrepancies were noticed on physical verification.
- (iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly clause 4(iii) (b), (c) and (d) of the Companies (Auditors report) Order 2003 is not applicable.
- (b) The Company has taken unsecured loan from three companies and one party covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1075.95 Lacs and year end balance from such companies and party was Rs. 416.33 Lacs.
- (c) The rate of interest and other terms and conditions of loans taken are prima facie not prejudicial to the interest of the Company.
- (d) The payment of the principal amount and interest is regular.
- (iv) The Company has an adequate internal control procedure commensurate with the size and nature of business of the Company for the purchase of inventory, fixed assets and the sale of goods. In view of this, the question of failure to correct weaknesses in internal control does not arise.
- (v) Transactions that need to be entered into register in pursuance of Section 301 of the Act have been so entered.
  - (a) In our opinion and according to the information and explanations given to us the particulars of contracts or arrangements which need to be entered in the register referred to in section 301 of the Companies Act, 1956 have been so entered.
  - (b) The transactions entered into register exceeding the value of Rs. 5 (Five) Lacs are reasonable having regard to the prevailing market prices.
- (vi) In our opinion and according to information and explanation given to us, the Company has complied with the provision of Section 58A and Section 58AA or other relevant provision of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 with regards to deposit accepted from the public.
- (vii) The Company has an adequate internal audit system commensurate with size and nature of its business which is being carried out by qualified external auditor.
- (viii) The maintenance of cost records has been prescribed by the Central Government under Clause (d) of Sub-section (1) of Section 209 of the Companies Act, 1956. We have broadly reviewed the books of accounts which are made and maintained in pursuance of the prescriptions.



- (ix) (a) The Company is regular in depositing undisputed statutory dues in respect of Provident Fund, Investors Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other Statutory dues (wherever applicable) with the appropriate authorities. There are no arrears of any statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute other than the following.

Sr. No.	Nature of Dues	Amount (Rs. in Lacs)	Forum where matter is pending
1	Income Tax	30.58	CIT (Appeal)
2	Excise	0 .62	Commissioner (Appeal)
3	Service Tax	0.53	Commissioner (Appeal)

- (x) There are no accumulated losses at the end of the financial year. The Company has not incurred cash loss either in the current or in the preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in re-payment of dues to banks
- (xii) The Company has not granted any loans and advances on the basis of security. In view of this the question of maintenance of records and adequacy of documents does not arise.
- (xiii) The Company not being nidhi/mutual benefit fund/societies, the provisions of clause 4 (xiii) of the Companies (Auditors Report) Order, 2003 are not applicable.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) The Company has not given any guarantee for loans taken by others either from bank or financial institution.
- (xvi) The term loans obtained have been applied for the purpose for which they were taken.
- (xvii) On the basis of overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures.
- (xx) The Company has not raised monies by way of public issue during the year.
- (xxi) In our opinion and according to information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

**For V.C. Darak & Associates**  
 Chartered Accountants  
 Firm Registration No.: 119336W

Place : Mumbai  
 Date : 25<sup>th</sup> May,2010

**V.C. Darak**  
 Proprietor  
 M.No.6307

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2010**

(Rs. in Lacs)

PARTICULARS	SCHEDULE	AS AT		AS AT	
		31-03-2010		31-03-2009	
<b>I. SOURCES OF FUNDS</b>					
<b>1. Shareholders' Funds</b>					
(a) Share Capital	<b>A</b>	<b>1,100.00</b>		1,100.00	
(b) Reserves and Surplus	<b>B</b>	<b>2,663.57</b>	<b>3,763.57</b>	1,749.43	2,849.43
<b>2. Loan Funds</b>					
(a) Secured Loans	<b>C</b>	<b>6,054.11</b>		3,824.23	
(b) Unsecured Loans	<b>D</b>	<b>794.78</b>	<b>6,848.89</b>	742.88	4,567.11
<b>3. Deferred Tax Liability</b>			<b>329.22</b>		302.90
<b>TOTAL</b>			<b>10,941.68</b>		<b>7,719.44</b>
<b>II. APPLICATION OF FUNDS</b>					
<b>1. Fixed Assets</b>	<b>E</b>				
Gross Block		<b>4,758.72</b>		4,376.88	
Less : Depreciation		<b>1,705.56</b>		1,412.35	
Net Block		<b>3,053.16</b>		2,964.53	
Add : Work-in-Progress		<b>0.00</b>	<b>3,053.16</b>	61.10	3,025.63
<b>2. Investments</b>	<b>F</b>		<b>40.00</b>		40.00
<b>3. a) Current Assets, Loans &amp; Advances</b>					
(i) Inventories	<b>G</b>	<b>1,598.17</b>		691.14	
(ii) Sundry Debtors	<b>H</b>	<b>6,893.38</b>		3,922.26	
(iii) Cash & Bank Balances	<b>I</b>	<b>125.60</b>		151.92	
(iv) Other Current Assets	<b>J</b>	<b>119.62</b>		39.53	
(v) Loans & Advances	<b>K</b>	<b>1,536.14</b>	<b>10,272.91</b>	1,304.66	6,109.51
<b>b) Less : Current Liabilities &amp; Provisions</b>					
(i) Liabilities	<b>L</b>	<b>1,206.04</b>		988.59	
(ii) Provisions	<b>M</b>	<b>1,218.35</b>	<b>2,424.39</b>	467.11	1,455.70
<b>Net Current Assets (a-b)</b>			<b>7,848.52</b>		4,653.81
<b>TOTAL</b>			<b>10,941.68</b>		<b>7,719.44</b>
<b>Significant accounting policies and notes on accounts</b>	<b>T</b>				

The schedules referred to above and notes on accounts annexed hereto form an integral part of the Balance Sheet and Profit and Loss Account.

As per our report of even date

For and on behalf of the Board

**For V.C. Darak & Associates**  
 Chartered Accountants  
 Firm Registration No.: 119336W

**Rameshwarlal Kabra**  
 Chairman

**Tribhuvanprasad Kabra**  
 Managing Director

**Mahendra Kumar Kabra**  
 Director

**V.C. Darak**  
 Proprietor  
 M.No. 6307

**Vishnu Anant Mahajan**  
 Director

**Mukund Chitale**  
 Director

**Satyanarayan Loya**  
 Director

Place : Mumbai  
 Date : 25<sup>th</sup> May, 2010

**Ajai Singh**  
 Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010**

(Rs. in Lacs)

PARTICULARS	SCHEDULE	For the Year ended 31-03-2010		For the Year ended 31-03-2009	
<b>INCOME</b>					
Sales and related income	N	43,871.44		33,916.91	
Less : Excise Duty		3,335.19	40,536.25	3,563.44	30,353.47
Other Income			31.54		23.57
<b>TOTAL</b>			<b>40,567.79</b>		<b>30,377.04</b>
<b>EXPENDITURE</b>					
(Increase) / Decrease in Stock	O	(946.71)			472.70
Consumption of Raw & Packing Materials	P	36,644.97			26,934.55
Employees Cost	Q	545.93			396.95
Other Expenditure	R	1,615.86			1,441.18
Interest	S	560.56			627.14
Depreciation	E	344.35			286.40
<b>TOTAL</b>			<b>38,764.96</b>		<b>30,158.92</b>
<b>Profit before tax and extraordinary items</b>			<b>1,802.83</b>		218.12
<b>Extraordinary items</b>					
Service Tax written back		0.00		9.28	
(Loss) / Profit on Sale / discard of Assets		(14.47)	(14.47)	(6.11)	3.17
<b>Profit before prior period adjustments</b>			<b>1,788.36</b>		221.29
Income/(Expenses) Prior period adjustments			0.03		(0.34)
<b>Profit before taxes</b>			<b>1,788.39</b>		220.95
Provision for :					
- Previous year's Tax		(3.72)		(2.82)	
- Current year's Tax		595.10		25.65	
- Deferred Tax		26.32	617.70	61.02	83.85
<b>Net Profit after Tax</b>			<b>1,170.69</b>		137.10
(Used for computing Earning Per Share)					
<b>Balance brought forward from previous year</b>			<b>944.23</b>		903.65
<b>Profit available for appropriations</b>			<b>2,114.92</b>		1,040.75
<b>Less : Appropriations</b>					
General Reserve		90.00		0.00	
Proposed Dividend		220.00		82.50	
Corporate Tax on Proposed Dividend		36.55	346.55	14.02	96.52
<b>Balance carried to Balance Sheet</b>			<b>1,768.37</b>		944.23
Earnings Per Share (Basic and Diluted) (Rs.)			<b>10.64</b>		1.25
Number of Shares used in computing Earning Per Share (In Lacs)			<b>110.00</b>		110.00
<b>Significant accounting policies and notes on accounts</b>	T				

The schedules referred to above and notes on accounts annexed hereto form an integral part of the Balance Sheet and Profit and Loss Account.

As per our report of even date

For and on behalf of the Board

**For V.C. Darak & Associates**  
Chartered Accountants  
Firm Registration No.: 119336W

**Rameshwarlal Kabra**  
Chairman

**Tribhuvanprasad Kabra**  
Managing Director

**Mahendra Kumar Kabra**  
Director

**V.C. Darak**  
Proprietor  
M.No. 6307

**Vishnu Anant Mahajan**  
Director

**Mukund Chitale**  
Director

**Satyanarayan Loya**  
Director

Place : Mumbai  
Date : 25<sup>th</sup> May, 2010

**Ajai Singh**  
Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010

(Rs. in Lacs)

	2009-10	2008-09
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Net Profit before tax and extraordinary items</b>	<b>1,802.83</b>	218.12
Adjustments for:		
Depreciation	<b>344.35</b>	286.40
Interest Charged	<b>560.56</b>	627.14
Dividend Income	<b>(10.40)</b>	(10.40)
Service Tax written back	-	9.28
Prior Period Items	<b>0.03</b>	(0.34)
<b>Operating profit before working capital changes</b>	<b>2,697.37</b>	1,130.20
Adjustments for:		
Trade and other receivables	<b>(3,051.21)</b>	1,136.18
Inventories	<b>(907.03)</b>	310.37
Trade payables	<b>217.45</b>	139.99
<b>Cash generation from operations</b>	<b>(1,043.42)</b>	2,716.74
Interest paid	<b>(563.90)</b>	(636.60)
Direct taxes (Paid)/Refund	<b>(345.43)</b>	(158.86)
Dividend Paid (Inclusive of dividend tax)	<b>(96.52)</b>	(193.04)
<b>Net cash from operating activities (A)</b>	<b>(2,049.27)</b>	1,728.24
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	<b>(389.75)</b>	(782.27)
Sale of assets	<b>3.38</b>	9.00
Dividend Income	<b>10.40</b>	10.40
Loans and advances	<b>113.80</b>	(141.06)
Interest received	<b>3.34</b>	9.46
<b>Net cash used in investing activities (B)</b>	<b>(258.83)</b>	(894.47)
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from share capital	<b>0.00</b>	0.00
Proceeds from Premium on shares	<b>0.00</b>	0.00
Proceeds from long term borrowing	<b>2,281.78</b>	(830.88)
<b>Net cash used in financing activities (C)</b>	<b>2,281.78</b>	(830.88)
<b>Net (decrease) / increase in cash and equivalents (A)+(B)+(C)</b>	<b>(26.32)</b>	2.89
<b>Cash and cash equivalents as at 1<sup>st</sup> April</b>	<b>151.92</b>	149.03
<b>Cash and cash equivalents as at 31<sup>st</sup> March</b>	<b>125.60</b>	151.92
<b>Net (decrease) / increase in cash and equivalents</b>	<b>(26.32)</b>	2.89

Note : i) Figures in brackets represents cash outflows.  
 ii) Previous year figures have been regrouped wherever considered necessary.

As per our report of even date

For and on behalf of the Board

**For V.C. Darak & Associates**  
 Chartered Accountants  
 Firm Registration No.: 119336W

**Rameshwarlal Kabra**  
 Chairman

**Tribhuvanprasad Kabra**  
 Managing Director

**Mahendra Kumar Kabra**  
 Director

**V.C. Darak**  
 Proprietor  
 M.No. 6307

**Vishnu Anant Mahajan**  
 Director

**Mukund Chitale**  
 Director

**Satyanarayan Loya**  
 Director

Place : Mumbai  
 Date : 25<sup>th</sup> May, 2010

**Ajai Singh**  
 Director

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

(Rs. in Lacs)

PARTICULARS	AS AT 31-03-2010	AS AT 31-03-2009
<b>SCHEDULE "A"</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
1,50,00,000 (P.Y. 1,50,00,000) Equity Shares of Rs. 10/- each	<u>1,500.00</u>	<u>1,500.00</u>
<b>Issued, Subscribed and Paid-Up</b>		
1,10,00,000 (P.Y. 1,10,00,000) Equity Shares of Rs. 10/- each Fully paid-up.	<u>1,100.00</u>	<u>1,100.00</u>
<b>TOTAL</b>	<u><u>1,100.00</u></u>	<u><u>1,100.00</u></u>
<b>SCHEDULE "B"</b>		
<b>RESERVES AND SURPLUS</b>		
<b>SECURITY PREMIUM ACCOUNT</b>		
	763.20	763.20
<b>GENERAL RESERVE</b>		
Balance as per previous Balance Sheet	42.00	42.00
Add : Balance Transferred from Profit & Loss account	<u>90.00</u> <u>132.00</u>	<u>0.00</u> <u>42.00</u>
<b>PROFIT AND LOSS ACCOUNT</b>		
Balance as per Profit & Loss Account	<u>1,768.37</u>	<u>944.23</u>
<b>TOTAL</b>	<u><u>2,663.57</u></u>	<u><u>1,749.43</u></u>
<b>SCHEDULE "C"</b>		
<b>SECURED LOANS</b>		
<b>From Banks</b>		
(i) Working Capital Loans	<u>5,122.41</u>	<u>3,098.79</u>
(ii) Term Loans	<u>931.55</u>	<u>723.14</u>
(iii) Vehicle Loan	<u>0.15</u>	<u>2.30</u>
<b>TOTAL</b>	<u><u>6,054.11</u></u>	<u><u>3,824.23</u></u>
<b>Notes :-</b>		
A) The Working Capital Loans at item (i) are pari passu secured by first charge with the consortium members over the entire Current Assets such as stocks, book debts etc., pari passu second charge with the consortium members over fixed assets and secured by personal guarantees of two promoter Directors.		
B) The Term Loans at item (ii) are secured by first exclusive charge over the existing and future fixed assets of the Company and pari passu second charge over current assets of the Company and secured by personal guarantees of two promoter Directors.		
C) The Vehicle Loan at items (iii) is secured by way of hypothecation of specific Vehicle.		

## SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in Lacs)

PARTICULARS	AS AT 31-03-2010	AS AT 31-03-2009
<b>SCHEDULE "D"</b>		
<b>UNSECURED LOANS</b>		
Others Including interest accrued & due Rs. Nil (P.Y. Rs. 20.06 Lacs).	<b>794.78</b>	742.88
<b>TOTAL</b>	<b>794.78</b>	<b>742.88</b>

## SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

### SCHEDULE "E"

#### FIXED ASSETS

(Rs. in Lacs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31-03-09	Addi- tions	Deduc- tions/ Adjust- ments	As at 31-03-10	Upto 31-03-09	For the year	Deduc- tions/ Adjust- ments	Upto 31-03-10	As at 31-03-10	As at 31-03-09
Land - Free Hold	66.42	15.23	0.00	<b>81.65</b>	0.00	0.00	0.00	<b>0.00</b>	<b>81.65</b>	66.42
Factory Building	665.70	4.96	0.00	<b>670.66</b>	148.05	22.33	0.00	<b>170.38</b>	<b>500.28</b>	517.65
Residential Building	197.31	0.00	0.00	<b>197.31</b>	16.53	3.22	(0.21)	<b>19.96</b>	<b>177.35</b>	180.78
Plant & Machineries	3,082.54	417.12	21.64	<b>3,478.02</b>	1,094.96	290.18	2.25	<b>1,382.89</b>	<b>2,095.13</b>	1,987.58
Electrical Installations	66.71	0.00	0.00	<b>66.71</b>	44.86	6.07	0.00	<b>50.93</b>	<b>15.78</b>	21.85
Furniture & Fixtures	75.93	4.79	0.23	<b>80.49</b>	21.09	4.89	(0.45)	<b>26.43</b>	<b>54.06</b>	54.84
Office and Other Equipments	143.20	10.93	50.17	<b>103.96</b>	60.32	10.04	41.86	<b>28.50</b>	<b>75.46</b>	82.88
Vehicles	79.07	17.32	16.47	<b>79.92</b>	26.54	7.62	7.69	<b>26.47</b>	<b>53.45</b>	52.53
Capital Work in Progress	4,376.88	470.35	88.51	<b>4,758.72</b>	1,412.35	344.35	51.14	<b>1,705.56</b>	<b>3,053.16</b>	2,964.53
	61.10	315.85	376.95	<b>0.00</b>	0.00	0.00	0.00	<b>0.00</b>	<b>0.00</b>	61.10
<b>Total</b>	<b>4,437.98</b>	<b>786.20</b>	<b>465.46</b>	<b>4,758.72</b>	<b>1,412.35</b>	<b>344.35</b>	<b>51.14</b>	<b>1,705.56</b>	<b>3,053.16</b>	<b>3,025.63</b>
Previous Year	3,680.46	1,491.14	733.62	4,437.98	1,135.60	286.40	9.64	1,412.35	3,025.63	

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

(Rs. in Lacs)

<b>PARTICULARS</b>	<b>AS AT 31-03-2010</b>	<b>AS AT 31-03-2009</b>
<b>SCHEDULE "F"</b>		
<b>INVESTMENTS</b>		
Long Term		
Unquoted - at cost		
5,20,000 Fully paid up Equity Shares of Rs. 10/- each in RR Kabel Ltd., a company under the same management.	<b>40.00</b>	40.00
<b>TOTAL</b>	<b><u>40.00</u></b>	<u>40.00</u>
<b>SCHEDULE "G"</b>		
<b>INVENTORIES</b>		
Raw Materials	<b>168.65</b>	207.83
Finished Goods	<b>716.83</b>	273.94
Work-in-progress	<b>489.97</b>	144.34
Goods in transit	<b>157.52</b>	0.00
Packing Materials	<b>27.93</b>	29.70
Fuel	<b>10.28</b>	9.01
Scrap	<b>26.99</b>	26.32
<b>TOTAL</b>	<b><u>1,598.17</u></b>	<u>691.14</u>
<b>SCHEDULE "H"</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured and Considered Good)		
Debts outstanding for a period exceeding six months	<b>104.00</b>	129.19
Others	<b>6,789.38</b>	3,793.07
(Including Rs. 231.56 Lacs (P.Y. Rs. 128.09 Lacs) due from firm in which Directors are interested and Rs.119.12 Lacs (P.Y. Rs.107.71 Lacs) due from a Company under the same management.) Refer Schedule 'T' Note No. 8		
<b>TOTAL</b>	<b><u>6,893.38</u></b>	<u>3,922.26</u>
<b>SCHEDULE "I"</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in hand	<b>0.97</b>	1.72
<b>BALANCES WITH SCHEDULED BANKS</b>		
In Current Accounts	<b>108.94</b>	137.73
In Term Deposit Accounts	<b>0.78</b>	0.75
In Margin Money Accounts	<b>14.91</b> <b>124.63</b>	11.72   150.20
<b>TOTAL</b>	<b><u>125.60</u></b>	<u>151.92</u>

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

(Rs. in Lacs)

<b>PARTICULARS</b>	<b>AS AT 31-03-2010</b>	<b>AS AT 31-03-2009</b>
<b>SCHEDULE "J"</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest Accrued but not due	<b>1.38</b>	0.82
Export Incentive Receivable	<b>99.78</b>	37.94
Balance in dividend account	<b>11.58</b>	0.00
Sundries	<b>6.88</b>	0.77
<b>TOTAL</b>	<b>119.62</b>	39.53
<b>SCHEDULE "K"</b>		
<b>LOANS &amp; ADVANCES</b>		
(Unsecured and Considered Good)		
Advances recoverable in cash or in kind or for value to be received	<b>12.18</b>	9.54
Loan	<b>2.50</b>	2.50
Advance Income Tax	<b>783.26</b>	437.98
Pre-paid Expenses	<b>20.93</b>	13.27
Balances with Excise Authorities	<b>51.90</b>	302.91
Advance for Purchases	<b>595.63</b>	304.69
Advance for Capital Goods	<b>6.58</b>	191.70
Deposits	<b>63.16</b>	42.07
<b>TOTAL</b>	<b>1,536.14</b>	1,304.66
<b>SCHEDULE "L"</b>		
<b>LIABILITIES</b>		
Sundry Creditors	<b>510.88</b>	575.18
Advances from Customers	<b>115.92</b>	38.00
Forward Contracts	<b>94.94</b>	0.00
Unclaimed dividend	<b>11.58</b>	0.00
Other Current Liabilities	<b>472.72</b>	375.41
<b>TOTAL</b>	<b>1,206.04</b>	988.59
<b>SCHEDULE "M"</b>		
<b>PROVISIONS</b>		
For Income Tax	<b>961.80</b>	370.59
For Proposed Dividend	<b>220.00</b>	82.50
For Corporate Tax on Proposed Dividend	<b>36.55</b>	14.02
<b>TOTAL</b>	<b>1,218.35</b>	467.11



**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT**

(Rs. in Lacs)

<b>PARTICULARS</b>	<b>For the Year ended 31-03-2010</b>	<b>For the Year ended 31-03-2009</b>
<b>SCHEDULE "N"</b>		
<b>SALES AND RELATED INCOME</b>		
Sales (Including Excise Duty)	<b>43,755.12</b>	33,815.04
Processing Charges	<b>116.32</b>	101.87
<b>TOTAL</b>	<b>43,871.44</b>	<b>33,916.91</b>
<b>SCHEDULE "O"</b>		
<b>(INCREASE) / DECREASE IN STOCKS</b>		
Opening Stocks		
Finished Goods	<b>273.94</b>	673.47
Work-in-progress	<b>144.34</b>	230.56
Scrap	<b>26.32</b>	13.27
	<b>444.60</b>	917.30
Less : Closing Stocks		
Finished Goods	<b>716.83</b>	273.94
Work-in-progress	<b>489.97</b>	144.34
Goods in transit	<b>157.52</b>	0.00
Scrap	<b>26.99</b>	26.32
	<b>1,391.31</b>	444.60
<b>TOTAL</b>	<b>(946.71)</b>	<b>472.70</b>
<b>SCHEDULE "P"</b>		
<b>CONSUMPTION OF RAW &amp; PACKING MATERIALS</b>		
Raw Materials	<b>36,257.69</b>	26,616.37
Packing Materials	<b>387.28</b>	318.18
<b>TOTAL</b>	<b>36,644.97</b>	<b>26,934.55</b>
<b>SCHEDULE "Q"</b>		
<b>EMPLOYEES COST</b>		
Salaries and Bonus	<b>420.62</b>	343.58
Director's Remuneration	<b>94.13</b>	28.65
Contribution to Provident Fund	<b>15.80</b>	13.05
Staff Welfare	<b>15.38</b>	11.67
<b>TOTAL</b>	<b>545.93</b>	<b>396.95</b>

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT**

(Rs. in Lacs)

PARTICULARS	For the Year ended 31-03-2010	For the Year ended 31-03-2009
<b>SCHEDULE "R"</b>		
<b>OTHER EXPENDITURE</b>		
Auditor's Remuneration	4.81	2.57
Bank Charges	33.77	30.25
Bad Debts	1.40	8.23
Cash Discount	9.03	8.49
Commission on Sales	55.81	47.05
Consumables stores & spares	67.37	89.86
Electricity	4.63	4.77
Freight & Octroi on Sales	275.81	222.31
Insurance	17.77	14.82
Power & Fuel	832.99	719.59
Rates and Taxes	3.04	1.70
Rent	9.67	8.41
Repairs		
- Building	7.88	9.21
- Machinery	76.89	74.74
- Others	14.36	12.99
Travelling Expenses	24.71	12.25
Miscellaneous Expenses	175.92	173.94
<b>TOTAL</b>	<b>1,615.86</b>	<b>1,441.18</b>
<b>SCHEDULE "S"</b>		
<b>INTEREST</b>		
Banks	406.57	515.79
Others	157.33	120.81
	<b>563.90</b>	<b>636.60</b>
Less : Interest Income (Gross) TDS Rs. 0.11 Lac (P.Y. Rs. 0.14 Lac).	3.34	9.46
<b>TOTAL</b>	<b>560.56</b>	<b>627.14</b>

## **SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

### **SCHEDULE "T"**

#### **A) SIGNIFICANT ACCOUNTING POLICIES**

##### **i) Basis of Preparation**

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting with Generally Accepted Accounting Principles (GAAP) and Accounting Standards issued by Institute of Chartered Accountants of India, as applicable and relevant provision of Companies Act, 1956.

##### **ii) Use of Estimation**

The preparation of financial statements is in conformity with Generally Accepted Accounting Principles (GAAP) in India, requires the management to make estimation and assumptions that affect the reporting amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements.

##### **(iii) Depreciation**

Depreciation on Fixed Assets is provided on straight-line method at the rates prescribed under Schedule XIV to the Companies Act, 1956.

##### **(iv) Fixed Assets**

Fixed Assets are stated at cost net of CENVAT/ Value Added Tax, less accumulated depreciation and impairment loss, if any.

##### **(v) Valuation of Inventories**

- a) Raw materials, Work-in-progress and Finished goods are valued at the lower of cost or realisable value. The cost is determined using FIFO method.
- b) The cost of purchase comprises of the purchase price including duties and taxes (other than those subsequently recoverable by the Company from the taxing authorities), freight inward and other expenditure directly attributable to the acquisition but net of trade discount, rebates and other similar items.
- c) Packing Materials and Fuel are valued at lower of cost or net realisable value. The cost is determined using FIFO method.
- d) Scrap is valued at net realizable value.
- e) Consumable Stores and Spares being negligible percentage of Finished Goods are charged off to Profit and Loss account in the year of purchase.
- f) The cost of inventories comprises the cost of purchases, the cost of conversion and the cost of packing materials in case of Finished Goods.
- g) The cost of conversion comprises of Depreciation on Factory Building and Plant & Machinery, Power & Fuel, Factory Management and Administration expenses, Repairs & Maintenance and Consumable Stores & Spares.

##### **(vi) Investments**

Long term investment in unquoted equity shares are stated at cost.

##### **(vii) Sales**

Sales include sales of finished goods, semi finished goods, scrap and excise duty but net of sales returns and rate difference.

##### **(viii) Foreign Currency Transactions**

- a) Foreign Currency Transactions are recorded at the exchange rate prevailing on the date of transaction.
- b) Current assets and liabilities in foreign currency at the balance sheet date are translated with reference to the year end exchange rates.
- c) The premium or discount that arise on entering into a forward exchange contracts for hedging are measured by the difference between the exchange rate at the date of inception of the forward exchange contract and the forward rate.
- d) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account. The premium or discount on forward contract entered into to hedge the foreign currency risks of a firm commitment is recognized over the life of contract.
- e) The Company uses foreign exchange forward contracts to hedge its exposure to fluctuations in foreign exchange rates. Net forward contracts liabilities are disclosed in Balance Sheet.

**(ix) Employee Benefits**

- a) Short term benefits are recognized as an expense at the undiscounted amount in profit & loss account of the year in which related services are rendered.
- b) Defined Contribution plan:  
Provident Fund deducted from employees together with employer's contribution is remitted to Employee's Provident Fund administered by the Central Government, and employer's contribution is charged to Profit & Loss account.
- c) Defined Benefit Plan:  
Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation on Project Unit Credit Method made at the end of each financial year. The scheme is maintained and administered by LIC to which the trustees make periodical contributions.
- d) Leave Salary:  
The liability towards compensated absence is recognized based on actuarial valuation carried out using the Projected Unit Credit Method.

**(x) Provision for Current and Deferred Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from 'timing difference' between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

**(xi) Earnings per share**

In determining earnings per share, the Company considers the net profit after tax, extraordinary items and prior period items. The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the year.

**(xii) Impairment of Assets:**

An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss is charged for when an asset is identified as impaired.

**(xiii) Borrowing Costs:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

**(xiv) Provision, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**B) NOTES ON ACCOUNTS:**

**1. Contingent Liabilities not provided for in respect of**

(Rs. in Lacs)

Particulars	2009-10	2008-09
Bank Guarantees given	110.00	110.00
Estimated amount of contracts remained to be executed on Capital Account (Net of advance)	1.39	19.21
Bill Discounting	35.18	69.73
Income Tax	30.58	Nil
Excise / Service Tax	1.15	Nil

**2. Foreign currency transactions**

(Rs. in Lacs)

Particulars	2009-10	2008-09
<b>a) Value of imports Calculated on CIF basis:</b>		
Raw Material	<b>1,746.75</b>	4,897.90
Components and Spare Parts	<b>11.13</b>	6.84
Capital Goods	<b>Nil</b>	304.34
<b>b) Expenditure:</b>		
Travelling expenses	<b>1.23</b>	0.69
Interest	<b>79.88</b>	47.73
<b>c) Dividend remitted:</b>		
No. of Non-Resident Shareholder	<b>1</b>	1
No. of Shares held by Non-Resident Shareholder	<b>7,00,000</b>	7,00,000
Dividend	<b>5.25</b>	10.50
<b>d) Earnings:</b>		
FOB value of export	<b>Nil</b>	464.34

**3. Management Remuneration**

(Rs. in Lacs)

Particulars	2009-10	2008-09
<b>Managing Director</b>		
Remuneration	<b>30.00</b>	28.62
Commission	<b>64.10</b>	Nil
Perquisites	<b>0.03</b>	0.03
<b>Total</b>	<b>94.13</b>	28.65

**Computation of net profit in accordance with Section 349 of the Companies Act, 1956 and calculation of commission payable to Managing Director**

(Rs. in Lacs)

Particulars	2009-10	2008-09
Net profit before tax	<b>1,788.39</b>	220.95
Add:		
1. Remuneration	<b>30.00</b>	28.62
2. Perquisites	<b>0.03</b>	0.03
3. Commission	<b>64.10</b>	Nil
4. Depreciation as per books of accounts	<b>344.35</b>	286.40
	<b>2,226.87</b>	536.00
Less : Depreciation as envisaged under Section 350 of the Companies Act, 1956.	<b>344.35</b>	286.40
Net profit in accordance with Section 349 of the Companies Act, 1956	<b>1,882.52</b>	249.60
Managing Director's remuneration @ 5% of net profit	<b>94.13</b>	Nil

**4. Auditors Remuneration**

(Rs. in Lacs)

Particulars	2009-10	2008-09
Audit Fees	3.50	1.75
Tax Audit Fees	0.75	0.50
Others	0.56	0.32
<b>Total</b>	<b>4.81</b>	2.57

5. Excise duty is accounted as and when the goods are cleared. Accordingly, excise duty approximately amounting to Rs. 80.31 Lacs has not been accounted and considered for valuation of stocks. The said practice has no effect on the Profit and Loss Account for the year.

6. The Company has received post facto approvals from the Central Government for related party contracts under Section 297 of the Companies Act, 1956 pertaining to last year. The Company had made separately, application for compounding of non-compliance of the provisions of the said section which is under consideration by the applicable authority. No provision is made for penalty, if any, which may be levied.

7. The Company has written to all suppliers enquiring about their status under MSMED Act, 2006. However information is not received from all the suppliers. In case of enterprises which have informed and are covered under the Act, the Company has made the payment in time.

**8. Debts due from entities under the same Management**

(Rs. in Lacs)

Name	2009-10	2008-09
Ram Ratna International	231.56	128.09
MEW Electricals Limited	119.12	107.71

**9. Value of Raw Material, components and spare parts consumed**

(Rs. in Lacs)

Particulars	2009-10		2008-09	
	Amount	%	Amount	%
Imported	1,696.07	4.67	4,979.17	18.64
Indigenous	34,628.99	95.33	21,727.06	81.36

**10. Capacity and Production**

Finished Goods	Licensed Capacity	Installed Capacity	Actual Production
Enamelled Copper Winding Wire	N.A.	4568.000 MTs (4028.000 MTs)	9893.370 MTs* (8289.334 MTs)
Enamelled Copper Strips	N.A.	200.000 MTs (200.000 MTs)	409.511 MTs (281.937 MTs)
Enamelled Aluminium Winding Wire	N.A.	-	37.685 MTs (93.952 MTs)

\*Including Job work quantity 217.877 MTs (P.Y. 175.656 MTs).

**Notes:**

- Installed capacity is on a single shift and single product basis.
- Production of Enamelled Copper Winding Wire, Enamelled Copper Strips and Enamelled Aluminium Winding Wire are exempt from the licensing requirement.
- The production of Enamelled Copper Winding Wire include 2.276 MTs (P.Y. 4.512 MTs) subsequently converted in Scrap.
- Previous years figures are written in brackets.

**11. Deferred Tax Assets and Deferred Tax Liabilities comprises of the following**

(Rs. in Lacs)

	Deferred Tax (Assets) / Liability As at 31-03-09	Current year Charges / (credit)	Deferred Tax (Assets) / Liability As at 31-03-10
<b>A) Deferred Tax Liabilities</b>			
Depreciation	310.78	27.17	<b>337.95</b>
Others	2.61	(2.61)	<b>0.00</b>
<b>B) Deferred Tax Assets</b>			
Others	10.49	(1.76)	<b>8.73</b>
<b>Deferred Tax (Net) (A-B)</b>	<b>302.90</b>	<b>26.32</b>	<b>329.22</b>

**12. Disclosure in respect of Related Parties pursuant to Accounting Standard 18**
**I) List of Related Parties where control exists and with whom transactions have taken place**

- a) Key Management Personnel:  
 Shri Tribhuvanprasad Kabra (Managing Director)                      Shri Mahendra Kumar Kabra (Director)
- b) Relatives of Key Management:  
 Shri Rameshwarlal Kabra    Smt. Hemlata Kabra  
 Shri Shreegopal Kabra (HUF)    Smt. Priti Saboo
- c) Entities over which Key Management Personnel and their relatives are able to exercise significant influence/Control :  
 RR Kabel Limited    MEW Electricals Limited  
 Ram Ratna Research and Holdings Private Limited    Jag-Bid Finvest Private Limited  
 Kabel Buildcon Solution Private Limited    M/s. Ram Ratna International

**II) Transactions with the related parties in the ordinary course of business**

(Rs. in Lacs)

Particulars	Referred in I (a) above		Referred in I (b) above		Referred in I (c) above	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Purchases: Goods and Services</b>						
RR Kabel Ltd.	-	-	-	-	<b>17.21</b>	38.43
MEW Electricals Ltd.	-	-	-	-	<b>2,085.42</b>	1,266.89
Ram Ratna Research and Holdings Pvt Ltd.	-	-	-	-	<b>11.20</b>	6.40
<b>Sales: Goods and Services</b>						
RR Kabel Ltd.	-	-	-	-	<b>1.18</b>	10.48
Ram Ratna International	-	-	-	-	<b>3,416.21</b>	3,315.78
MEW Electricals Ltd.	-	-	-	-	<b>654.57</b>	818.71
<b>Capital Goods</b>						
RR Kabel Ltd.	-	-	-	-	<b>2.51</b>	-
<b>Expenses</b>						
Rent and Other Services	-	-	<b>6.68</b>	6.42	<b>4.23</b>	2.14
Interest Paid	-	-	<b>2.22</b>	1.15	<b>77.92</b>	67.78
Directors Sitting Fees	<b>0.15</b>	0.19	<b>0.20</b>	0.13	-	-
Directors Remuneration	<b>94.13</b>	28.65	-	-	-	-

Particulars	Referred in I (a) above		Referred in I (b) above		Referred in I (c) above	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Finance &amp; Investment</b>						
<b>Deposited against Sales</b>						
Ram Ratna International	-	-	-	-	<b>48.25</b>	48.25
<b>Unsecured Loans Accepted</b>						
Ram Ratna Research and Holdings Pvt Ltd.	-	-	-	-	<b>520.21</b>	1378.61
RR Kabel Ltd.	-	-	-	-	<b>775.00</b>	900.00
Priti Saboo	-	-	<b>3.48</b>	15.15	-	-
<b>Unsecured Loans Repaid</b>						
Ram Ratna Research and Holdings Pvt Ltd.	-	-	-	-	<b>437.50</b>	354.93
RR Kabel Ltd.	-	-	-	-	<b>775.00</b>	900.00
Priti Saboo	-	-	<b>0.96</b>	-	-	-
Jag-bid Finvest Pvt. Ltd.	-	-	-	-	<b>0.52</b>	-
<b>Outstandings (Net)</b>						
Receivables						
Ram Ratna International	-	-	-	-	<b>231.56</b>	128.09
MEW Electricals Ltd.	-	-	-	-	<b>131.14</b>	85.70
RR Kabel Ltd.	-	-	-	-	<b>1.16</b>	-
<b>Unsecured Loans Payable</b>						
Ram Ratna Research and Holdings Pvt Ltd.	-	-	-	-	<b>397.71</b>	324.84
Priti Saboo	-	-	<b>18.62</b>	16.56	-	-
Others	-	-	-	-	-	0.53

During the year an amount of Rs. 14,00,000/- donated to Kabra Foundation (Charitable Trust) in which certain Directors of the Company are trustees.

### 13. Quantitative Details

Particulars	2009-10		2008-09	
	Quantity (MTs)	Amount (Lacs)	Quantity (MTs)	Amount (Lacs)
<b>Opening Stocks</b>				
<b>Raw Material / Work-in-Progress</b>				
Copper	<b>71.737</b>	<b>158.98</b>	2.988	10.75
Enamels/Thinner	<b>38.850</b>	<b>42.69</b>	35.994	42.41
Work-in-Progress	-	<b>144.34</b>	-	230.56
Other Raw Material	-	<b>6.16</b>	-	-
<b>Finished Goods</b>				
Enamelled Copper Winding Wire	<b>87.748</b>	<b>235.56</b>	149.171	591.94
Enamelled Copper Strip	<b>12.308</b>	<b>33.14</b>	10.107	40.01
Enamelled Aluminium Winding Wire	<b>1.074</b>	<b>1.25</b>	7.749	11.81
Copper Wire	<b>0.132</b>	<b>0.31</b>	1.594	6.02
Copper Strips	<b>1.538</b>	<b>3.56</b>	6.489	23.69
Copper Scrap	<b>11.580</b>	<b>26.32</b>	3.883	13.27
Other Finished Goods	<b>0.381</b>	<b>0.54</b>	-	-



Particulars	2009-10		2008-09	
	Quantity (MTs)	Amount (Lacs)	Quantity (MTs)	Amount (Lacs)
<b>Purchases</b>				
Copper*	10,952.688	34,991.64	8,861.177	25,680.11
Aluminium	41.323	45.15	101.043	132.01
Enamels/Thinner	1,067.118	1,155.65	861.311	951.82
Sales Returns-Copper	70.834	187.70	41.132	183.04
Sales Returns-Aluminium	0.094	0.24	0.347	1.00
Other Raw Material	-	26.06	-	7.10
<b>Consumption</b>				
Copper	10,991.952	35,041.63	8,779.462	25,531.88
Aluminium	41.323	45.15	101.043	132.01
Enamels/Thinner	1,055.863	1,144.86	858.455	951.54
Sales Returns-Copper	70.834	187.70	41.132	183.04
Sales Returns-Aluminium	0.094	0.24	0.347	1.00
Other Raw Material		26.04	-	0.94
<b>Sales</b>				
Enamelled Copper Winding Wire	9,618.225	3,8241.83	8,170.589	29,746.31
Enamelled Copper Strips	400.678	1,510.49	279.736	1,085.39
Copper Wire	236.882	912.72	211.547	787.78
Copper Strips	126.490	438.10	232.366	843.92
Submersible Winding Wire	168.299	661.66	-	-
Scrap-Copper*	556.250	1,793.01	346.908	1,049.06
Scrap-Aluminium	3.680	2.90	13.834	13.01
Enamelled Aluminium Winding Wire	38.691	85.11	100.601	264.93
Other Finished Goods	33.281	109.30	9.269	24.63
<b>Closing Stocks</b>				
<b>Raw Material / Work-in-Progress</b>				
Copper **	28.806	108.99	71.737	158.98
Enamels/Thinner	50.105	53.48	38.850	42.69
Work-in-Progress Copper	-	485.88	-	144.34
Work-in-Progress Aluminium	-	4.09	-	-
Other Raw Material	-	6.18	-	6.16
<b>Finished Goods</b>				
Enamelled Copper Winding Wire	145.016	586.95	87.748	235.56
Enamelled Copper Strips	21.141	85.86	12.308	33.14
Copper Wire	0.094	0.37	0.132	0.31
Copper Strips	3.247	12.86	1.538	3.56
Submersible Winding Wire	6.352	26.34	-	-
Copper Scrap	7.645	26.91	11.580	26.32
Aluminium Scrap	0.111	0.08	-	-
Enamelled Aluminium Winding Wire	0.067	0.09	1.074	1.25
Other Finished Goods	1.177	4.36	0.381	0.54

\*Include 18.134 MTs (P.Y. 12.966 MTs) on account of conversion of copper scrap into Copper.

\*\* Excluding Copper in Transit 48.895 MTs Rs. 157.52 Lacs.

#### 14. Calculation of Earnings Per Share

Particulars	2009-10	2008-09
Profit after tax before extraordinary income (Rs. in lacs)	<b>1,185.13</b>	134.37
Profit after tax and extraordinary income (Rs. in lacs)	<b>1,170.69</b>	137.10
Weighted average number of equity shares o/s during the year	<b>110.00</b>	110.00
Face value of equity share (Rs.)	<b>10.00</b>	10.00
EPS before extraordinary items :		
Basic earnings per share Rs.	<b>10.77</b>	1.22
Diluted earnings per share Rs.	<b>10.77</b>	1.22
EPS after extraordinary items :		
Basic earnings per share Rs.	<b>10.64</b>	1.25
Diluted earnings per share Rs.	<b>10.64</b>	1.25

#### 15. Financial and Derivatives Contract

The Company used forward contract to mitigate the risks associated with foreign currency fluctuations. The company does not enter into any forward contract which is intended for trading or speculative purposes.

- a) The details of forward contract outstanding as at 31<sup>st</sup> March. (Rs. in Lacs)

	2009-10	2008-09
Booked against FCNR Loan (USD)	<b>21.00</b>	Nil
Booked against Buyers' Credit (USD)	<b>3.82</b>	Nil

- b) The details of foreign currency exposure that is not hedged by derivatives instrument or otherwise as at 31<sup>st</sup> March.

(Rs. in Lacs)

	2009-10	2008-09
Booked against Buyers' Credit (USD)	<b>3.42</b>	Nil

#### 16. Disclosures under Accounting Standard 15

(Rs. in Lacs)

Particulars	Gratuity		Leave Salary	
	2009-10	2008-09	2009-10	2008-09
<b>i) Change in Benefit Obligation</b>				
Liability at the beginning of the year	<b>31.18</b>	24.13	<b>16.26</b>	9.90
Interest Cost	<b>2.34</b>	1.93	<b>1.22</b>	0.79
Current Service Cost	<b>5.68</b>	4.67	<b>3.68</b>	3.10
Benefit Paid	<b>(1.65)</b>	(1.01)	<b>(1.51)</b>	(0.74)
Actuarial (gain)/loss on obligations	<b>1.67</b>	1.46	<b>(1.74)</b>	3.21
<b>Liability at the end of the year</b>	<b>39.22</b>	31.18	<b>17.91</b>	16.26
<b>ii) Fair value of Plan Assets</b>				
Fair value of plan assets at the beginning of the year	<b>33.45</b>	16.46	-	-
Expected Return on plan assets	<b>3.11</b>	1.56	-	-
Employer Contributions	<b>8.42</b>	16.44	-	-
Benefit Paid	<b>(1.65)</b>	(1.01)	-	-
Actuarial gain/(loss) on Plan Assets	-	-	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>(43.33)</b>	33.45	-	-

Particulars		Gratuity		Leave Salary	
		2009-10	2008-09	2009-10	2008-09
<b>iii)</b>	<b>Actual Return on Plan Assets</b>				
	Expected Return on plan assets	<b>3.11</b>	1.56	-	-
	Actuarial gain/(loss) on Plan Assets	-	-	-	-
	<b>Actual Return on Plan Assets</b>	<b>3.11</b>	1.56	-	-
<b>iv)</b>	<b>Amount Recognised in the Balance Sheet</b>				
	Liability at the end of the year	<b>39.22</b>	31.18	<b>17.91</b>	16.26
	Fair value of plan assets at the end of the year	<b>43.33</b>	33.45	-	-
	Difference (Funded Status)	<b>(4.11)</b>	(2.27)	<b>17.91</b>	16.26
	<b>Amount Recognised in the Balance Sheet</b>	<b>(4.11)</b>	(2.27)	<b>17.91</b>	16.26
<b>v)</b>	<b>Expenses Recognised in the Income Statement</b>				
	Current Service Cost	<b>5.68</b>	4.67	<b>3.68</b>	3.10
	Interest Cost	<b>2.34</b>	1.93	<b>1.22</b>	0.79
	Expected Return on plan assets	<b>(3.11)</b>	(1.56)	-	-
	Net Actuarial (Gain)/loss to be recognised	<b>1.67</b>	1.46	<b>(1.74)</b>	3.21
	Expenses Recognised in Profit & Loss A/c	<b>6.58</b>	6.50	<b>3.16</b>	7.10
<b>vi)</b>	<b>Balance Sheet Reconciliation</b>				
	Opening Net Liability	<b>(2.27)</b>	7.67	<b>16.26</b>	9.16
	Expense as above	<b>6.58</b>	6.50	<b>3.16</b>	7.10
	Employers Contribution	<b>(8.42)</b>	(16.44)	<b>(1.51)</b>	(0.74)
	<b>Amount Recognised in the Balance Sheet</b>	<b>(4.11)</b>	(2.27)	<b>17.91</b>	16.26
<b>vii)</b>	<b>Investment Details</b>				
	L.I.C. Group Gratuity(Cash Accumulation) Policy	<b>Yes</b>	Yes	<b>NA</b>	NA
<b>viii)</b>	<b>Actuarial Assumptions for the year</b>				
	Discount rate (per annum)	<b>7.75%</b>	7.50%	<b>7.75%</b>	7.50%
	Expected rate of return on plan assets (per annum)	<b>9.15%</b>	9.00%	-	-
	Rate of escalation in salary (per annum)	<b>6.75%</b>	6.50%	<b>6.75%</b>	6.50%

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

17. The Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

Signature to Schedule "A" to "T"

As per our report of even date

**For V.C. Darak & Associates**  
Chartered Accountants  
Firm Registration No.: 119336W

**V.C. Darak**  
Proprietor  
M.No. 6307

Place : Mumbai  
Date : 25<sup>th</sup> May, 2010

**Rameshwarlal Kabra**  
Chairman

**Vishnu Anant Mahajan**  
Director

**Ajai Singh**  
Director

For and on behalf of the Board

**Tribhuvanprasad Kabra**  
Managing Director

**Mukund Chitale**  
Director

**Mahendra Kumar Kabra**  
Director

**Satyanarayan Loya**  
Director

## ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

### Balance Sheet Abstract And Company's General Business Profile

#### I. Registration Details

Registration No.	L	3	1	3	0	0	M	H	1	9	9	2	P	L	C	0	6	7	8	0	2
Balance Sheet Date	3	1	-	0	3	-	2	0	1	0	State Code		1	1							

#### II. Capital Raised during the year: (Amount in Rs. Thousands)

Public Issue				N	I	L	Right Issue				N	I	L
Bonus Issue				N	I	L	Private Placement				N	I	L

#### III. Position of Mobilisation and Deployment of funds: (Amount in Rs. Thousands)

Total Liabilities	1	0	9	4	1	6	8	Total Assets	1	0	9	4	1	6	8
<b>Sources of funds</b>							<b>Application of Funds</b>								
Paid up Capital		1	1	0	0	0	0	Net Fixed Assets		3	0	5	3	1	6
Reserves & Surplus		2	6	6	3	5	7	Investments				4	0	0	0
Secured Loans		6	0	5	4	1	1	Net Current Assets		7	8	4	8	5	2
Unsecured Loans			7	9	4	7	8	Miscellaneous Expenditure					N	I	L
Deferred Tax Liability			3	2	9	2	2	Profit and Loss Account					N	I	L

#### IV. Performance of the Company: (Amount in Rs. Thousands)

Turnover	4	0	5	3	6	2	5	Total Expenditure	3	8	7	6	4	9	6
Profit/(Loss) Before Tax		1	7	8	8	3	9	Profit/(Loss) After Tax		1	1	7	0	6	9
Earning Per Share in Rs.			1	0	.	6	4	Dividend Rate %			2	0	.	0	0

#### V. Generic Names of Principal Products of the Company

Item Code No.	8	5	4	4	1	1	1	0	Item Code No.	8	5	4	4	1	1	1	0
Product Description	Enamelled Copper Wire							Product Description	Enamelled Copper Strips								

As per our report of even date

**For V.C. Darak & Associates**  
 Chartered Accountants  
 Firm Registration No.: 119336W

**V.C. Darak**  
 Proprietor  
 M.No. 6307

Place : Mumbai  
 Date : 25<sup>th</sup> May, 2010

**Rameshwarlal Kabra**  
 Chairman

**Vishnu Anant Mahajan**  
 Director

**Ajai Singh**  
 Director

For and on behalf of the Board

**Tribhuvanprasad Kabra**  
 Managing Director

**Mukund Chitale**  
 Director

**Mahendra Kumar Kabra**  
 Director

**Satyanarayan Loya**  
 Director

## ATTENDANCE SLIP



Please fill in Attendance Slip and hand it over at the entrance of the meeting hall. Joint Shareholders may obtain additional Attendance Slips on request.

**NAME AND ADDRESS OF THE SHAREHOLDER**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Folio No. \_\_\_\_\_

DP ID. \_\_\_\_\_

Client ID. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

I hereby record my presence at the 18<sup>th</sup> ANNUAL GENERAL MEETING of the Company held at Maheshwari Bhavan, Plot No. R-14&15, Oshiwara, New Link Road Ext., Opp. Tarapur Garden, Andheri (West), Mumbai - 400 053 on Friday, 13<sup>th</sup> August, 2010 at 11:30 a.m.

SIGNATURE OF THE SHAREHOLDER/PROXY \* \_\_\_\_\_

\* Strike out whichever is not applicable

----- TEAR HERE -----

## PROXY FORM

Folio No. \_\_\_\_\_

DP ID. \_\_\_\_\_

Client ID. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

I/We, \_\_\_\_\_ of

\_\_\_\_\_ being a member / members of

Ram Ratna Wires Limited hereby appoint \_\_\_\_\_ or failing

him / her \_\_\_\_\_ of \_\_\_\_\_ as my/

our proxy to vote for me/us and on my/our behalf at the 18<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on Friday, 13<sup>th</sup> August, 2010 at 11:30 a.m. or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

Affix a  
15 paise  
Revenue  
Stamp

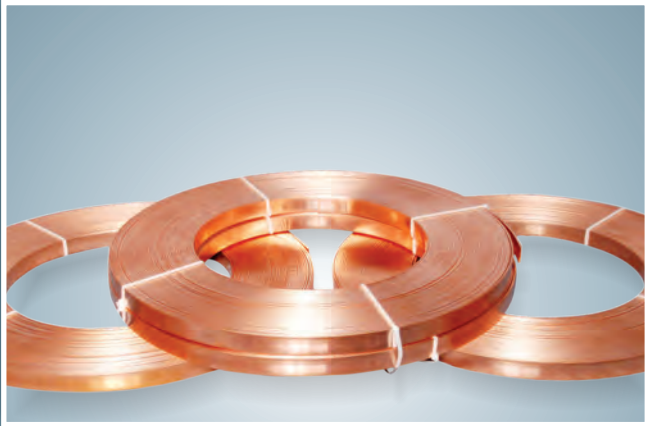
NOTES : The Proxy, to be valid, should be deposited at the Registered Office of the Company at Ram Ratna House, Oasis Complex, P.B. Marg, Worli, Mumbai - 400013 not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.

A Proxy need not be a member of the Company.



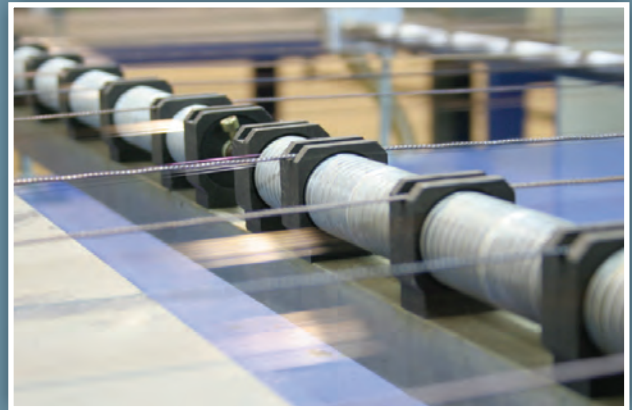
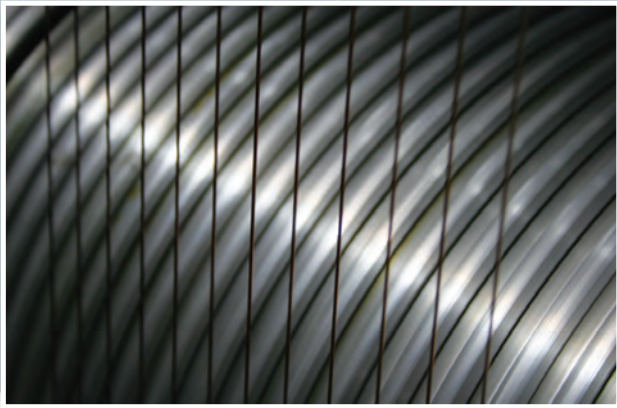
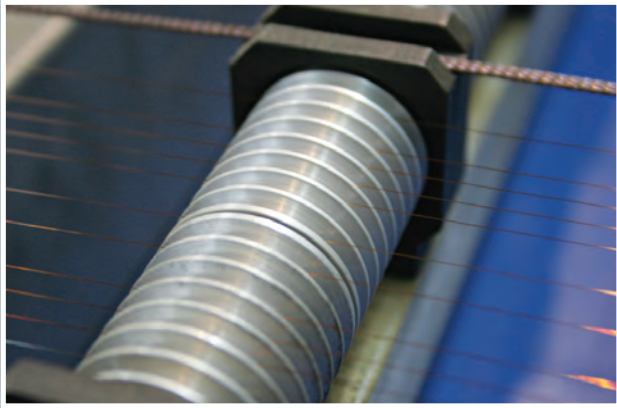


Copper Bus Bars



Copper Tapes





[www.ramratna.com](http://www.ramratna.com)

**Regd. Office: Ram Ratna House, Oasis Complex, Pandurang Budhkar Marg, Worli, Mumbai - 400 013. India.**  
Tel.: +91-22-2494 9009 / 2492 4144 Fax: 2491 0819. E-mail: [rrwires@ramratna.com](mailto:rrwires@ramratna.com)