



**RAJRATAN**

OUTPERFORM

INDIA | THAILAND

www.rajratan.co.in



29<sup>th</sup> June, 2019

To  
Bombay Stock Exchange  
Phiroze J.J. Tower  
Dalal Street, Fort  
MUMBAI – 400 001  
Scrip Code: 517522

**Subject: Submission of Annual Report for financial year 2018-19**

Dear Sir

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith the Annual Report of the company along with the Notice of AGM for the financial year 2018-2019 which is being dispatched/sent to the members by the permitted mode(s).

The said Annual Report containing the Notice is also uploaded on the Company's website [www.rajratan.co.in](http://www.rajratan.co.in).

Yours Faithfully,  
For, Rajratan Global Wire Ltd.

  
Shubham Jain  
Company Secretary & Compliance Officer  
M. No.: A35317



**RAJRATAN GLOBAL WIRE LIMITED**

Regd. Office: Rajratan House, 11/2, Meera Path, Dhenu Market, Indore-452003, Madhya Pradesh, India. Tel.: +91-731-2546401  
Factory: 200-B, Sector-1, Pithampur-454775, Dist. Dhar, Madhya Pradesh, India. Tel.: +91-7292-253429, 253375

CIN No. L27106MP1988PLC004778



**RAJRATAN**  
OUTPERFORM

# Outperform!

HOW TIMELESS VALUES ARE TRANSLATING INTO BUSINESS VALUE

.....

INTEGRATED ANNUAL REPORT 2018-19  
RAJRATAN GLOBAL WIRE LIMITED



# outpe

## Contents

- 06** 11 things you need to know about Rajratan Global Wire Limited
- 08** How Rajratan has enhanced value across the years
- 10** Managing Director's review **14** Performance analysis
- 18** Our integrated value-creation report **23** Business competencies
- 28** Corporate social responsibility **29** Management discussion and analysis
- 35** Notice **49** Statutory report **87** Financial statements

# perform!

At Rajratan, we are driven by the need to outperform.

We focus on continuously outperforming our retrospective achievements and the sectoral average.

With the objective to produce more, moderate costs, enhance quality and delight customers.

This explains the theme – Outperform!  
- of the annual report.



At Rajratan,  
'Outperform!'  
is not about the  
competition.

*It is about oneself.*





The need to keep raising the bar.

The need to march to the sound of a different drummer.

The need to pursue perfection and catch excellence along the way.

The need to keep believing that the only limits are in the mind.



# At Rajratan, our 'Outperform!' mantra is not just something we frame on the wall.

*It is something that we live.*

We are one of the largest bead wire manufacturers in Asia (excluding China).

We are the only bead wire manufacturer in Thailand.

We are a globally competitive bead wire manufacturer.

We are growing faster than the industry average.

We enjoy multi-year relationships with Indian and multi-national customers.

We are virtually debt-free (for long-term debt before the capacity expansion capex).

.....





# 11 things you need to know about Rajratan Global Wire Limited

## OUR INDIAN OPERATIONS

THIS IS WHERE WE WERE,  
YEAR-START 2018-19

36,000<sub>TPA</sub>  
Installed capacity

THIS IS WHERE WE EXPECT TO BE,  
2019-20 (SECOND QUARTER)

72,000<sub>TPA</sub>  
Installed capacity

## OUR THAILAND OPERATIONS

THIS IS WHERE WE WERE,  
YEAR-START 2018-19

26,000<sub>TPA</sub>  
Installed capacity

THIS IS WHERE WE FINISHED,  
YEAR-END 2018-19

34,800<sub>TPA</sub>  
Installed capacity



### VISION

To become the leading and most preferred bead wire manufacturer and supplier to tyre companies globally.



### VALUES

Ethical business built on mutual trust.

Quality orientation and constant innovation.

Continuous learning and personal growth.

To care for and share with the society we live in.



### MISSION

To manufacture and supply superior quality products at competitive prices and support it with excellent customer service.

To imbibe and constantly develop a culture of excellence and improvement in every aspect of the business we are in.

To ensure and enhance safe working conditions for all concerned.



### LOCATIONS

The Company's manufacturing operations are located in India and Thailand.

**India:** Located in Pithampur Industrial Area near Indore. The city is the commercial centre of Madhya Pradesh, India's second largest state. The city is centrally located in India, making it possible to reach pan-India customers with speed.

**Thailand:** Located in Ratchaburi, the facility is close to the port and customers.



### CUSTOMERS

Apollo Tyres Ltd. • Alliance Tyre • Birla Tyres Ltd. • Balakrishna Tyres Pvt. Ltd. • Bridgestone India Pvt. Ltd. • CEAT Ltd. • CEAT Kelania • Continental India Pvt. Ltd. • Casumina • CAMSO Loadstar, Sri Lanka • Camel Industries • Deestone International • Everthrough, Malaysia • Goodyear India Pvt. Ltd. • Global Rubber, Sri Lanka • Hindustan Tyres • Izumi Tyres, Philippines • JK Tyre & Industries Ltd. • Leo Tyres, Philippines • MRF Limited • Mahadeo Industries Pvt. Ltd. • ORION Ropes Pvt. Ltd. • Otani Radials, Thailand • Poddar Tyres • Remson Industries Ltd. • Suprajit Engineering Ltd. • Sumitomo, Thailand • TVS Srichakra Pvt. Ltd. • Trelleborg Wheel & Systems • Vikrant Ropes Pvt. Ltd. • Vee Rubber • Yokohama, Thailand



## BACKGROUND

The Company was formed as Rajratan Wires Pvt. Ltd. in 1989 by family members engaged in the iron and steel trading business. Commercial production commenced in 1991 with the production of pre-stressed concrete wires and stands. The name of the Company was changed to Rajratan Wires Ltd. following an IPO of equity shares in 1995 when the Company commenced the production of bead wire.

Rajratan entered into a technical collaboration and joint venture with Gustav Wolf Group of Germany following which the name of the Company was changed to Rajratan Gustav Wolf Ltd. in 1998. Following the joint venture for five years, the Indian promoters bought back equity held by Gustav Wolf after which the name of the Company was changed to Rajratan Global Wire Ltd. in 2004.

The Company extended to the launch of operations in Thailand in 2006, resulting in the commissioning of Rajratan Thai Wire Co. Ltd. The Thailand operations of the Company commenced commercial production in 2008.

Mr. Sunil Chordia and his family members account for promoter interests in the Company with 63.5% equity ownership.



## PRODUCTS

The Company is an attractive proxy of the special steel wires industry, manufacturing products addressing the value-added segment of the segment's pyramid.

**Tyre bead wire:** Used in all kinds of automobile tyres, tyres of earth moving equipment and aircraft. Its function is to hold the tyre on the rim and resist the action of the inflated pressure, which constantly tries to force it off. Bead wire is the crucial link through which the vehicle load is transferred from rim to tyre, preventing vibration during driving. The product enhances tyre safety, strength and durability. The Company specialises in bead wire of customised tensile grades as per requirements.

**High carbon steel wire:** This is drawn steel wire (also popularly known as black wire) manufactured from quality wire rods with high carbon content. The product plays a vital role in many industries (automobile and construction to engineering). At Rajratan, we manufacture high carbon steel wire in our state-of-the-art plants and employ world-class patented heat treatment processes.



## RESEARCH

The Company manufactures bead wire conforming with the most stringent international standards. The Company invested in Rajratan Technical Centre to engage in continuous research and development. The Company invested in the best Quality Management tools to enhance processes and product integrity, strengthening the Company's respect as one of the most preferred bead wire manufacturers by some of the most demanding global clients.

The Company also received a certification of recognition for in-house R&D from the Department of Scientific and Industrial Research (DSIR).



## CAPACITIES

The Company possessed an installed aggregate manufacturing capacity of 62,000 TPA across both products in its Indian and Thailand facilities. The Company is among the largest bead wire manufacturers in India and the only such manufacturing facility in Thailand.



## CERTIFICATIONS

1. ISO/TS 16949:2009
2. ISO 14001:2004
3. OHSAS 18001:2007



## EXPORTS

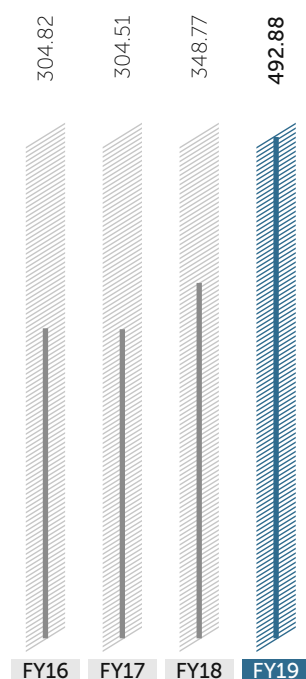
Rajratan is a dependable global supplier of bead wire to renowned quality-demanding tyre manufacturing companies. In addition to marketing products within India and Thailand where our manufacturing facilities are based, Rajratan also services customers in Italy, USA, The Czech Republic, South Korea, Malaysia, Indonesia, Philippines, Vietnam, Sri Lanka, UAE, Pakistan, Bangladesh and other countries. Rajratan strategically shifted the demanding needs arising out of major export contracts to the Thailand plant. Exports accounted for around 19.15% of total revenues; exports from Thailand accounted for around 40% of revenues from that country.

# How Rajratan has enhanced value across the years

## HIGHER REVENUES

(Rs. /crore)

**+144.11** (Rs. crores)



### Definition

Sales growth without deducting excise duties.

### Why we measure

This measure reflects the result of our ability to understand market trends and service customers in a timely manner with corresponding products marked by superior quality.

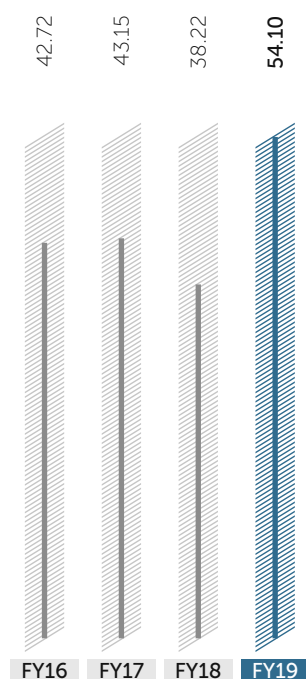
### Performance

Our aggregate sales increased 41.32% to Rs. 492.88 crore in FY19, which compared favourably with the growth of the sector and economy.

## EBIDTA

(Rs. /crores)

**+15.88** (Rs. crores)



### Definition

Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

### Why we measure

It is an index that showcases the Company's ability to optimise business operating costs despite inflationary pressures, which can be easily compared with the retrospective average and sectoral peers.

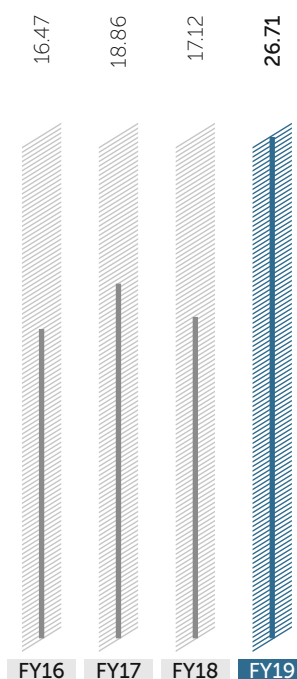
### Performance

The Company's EBIDTA increased during the year under review following an increase in revenues and ongoing cost management.

## NET PROFIT\*

(Rs. /crores)

**+9.59** (Rs. crores)



### Definition

Profit earned during the year after deducting all expenses and provisions and before Other Comprehensive Income.

### Why we measure

It highlights the strength of the Company's business model in generating value for shareholders.

### Performance

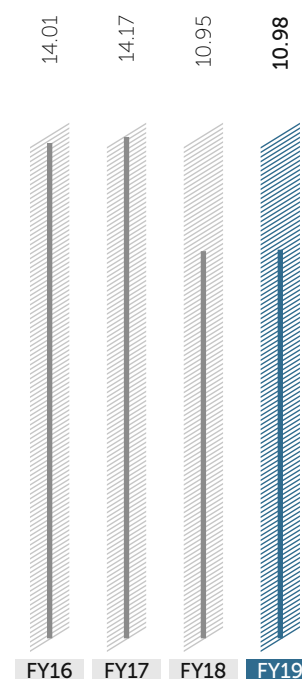
The Company's net profit strengthened during the last financial year following increased revenues and a superior amortisation of fixed costs.

\* Before Other Comprehensive Income

## EBIDTA MARGIN

(%)

**+3** (bps)



### Definition

EBIDTA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency. The higher the operating margin, the better for the Company.

### Why we measure

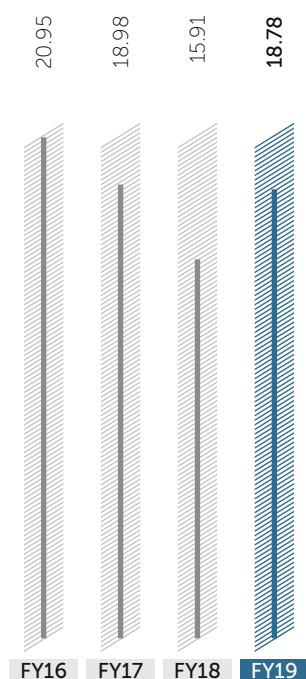
The EBIDTA margin provides an understanding of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

### Performance

The Company reported a strengthening of EBIDTA margin following an increase in revenues and superior amortisation of fixed expenses.

**RoCE**

(%)

**+287** (bps)**Definition**

It is a financial ratio that measures a company's profitability and efficiency with which its capital is employed in the business.

**Why we measure**

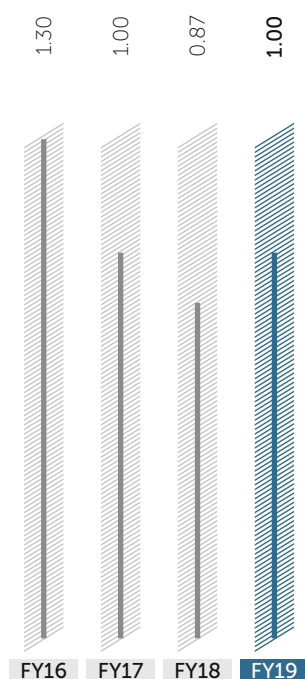
RoCE is a useful metric for comparing profitability across companies based on the amount of capital they use - especially in capital-intensive sectors.

**Performance**

The Company reported a 287 bps increase in RoCE on account of an increase in revenues, asset utilisation and coverage of fixed expenses.

**GEARING**

(x)

**+13** (bps)**Definition**

This is derived through the ratio of debt to net worth (less revaluation reserves).

**Why we measure**

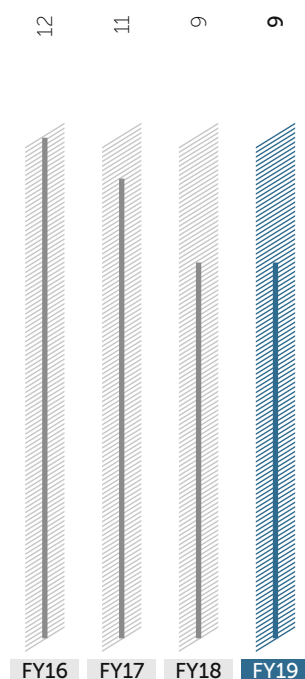
This is one of the defining measures of a company's financial health, indicating the ability of the Company to remunerate shareholders over debt providers (the lower the gearing the better). In turn, it indicates the ability of the Company to sustain growth in profits, margins and shareholder value.

**Performance**

The Company's gearing moderated from 2.39 in FY15 to 1.00 in FY19. We recommend that this ratio be read in conjunction with net debt/operating profit (declining, indicating a growing ability to service debt).

**DEBT COST**

(%)

**Neutral** (bps)**Definition**

This is derived through the calculation of the average cost of the consolidated debt on the Company's books.

**Why we measure**

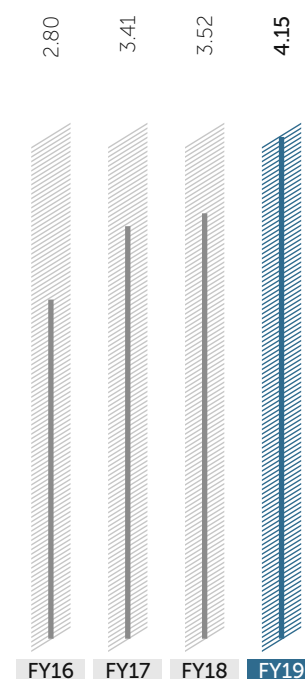
This indicates our ability in convincing bankers and other debt providers of the robustness of our business model, translating into a progressively lower debt cost (potentially leading to higher margins).

**Performance**

The Company's debt cost declined from a peak 12% in FY16 to 9% in FY18 and also 9% in FY19. We recommend that this ratio be read in conjunction with our rising interest cover (rising, indicating higher liquidity).

**INTEREST COVER**

(x)

**+0.63** (bps)**Definition**

This is derived through the division of EBITDA by interest outflow.

**Why we measure**

Interest cover indicates the Company's comfort in servicing interest, the higher the better.

**Performance**

The Company strengthened its interest cover from 2.80 in 2015-16 to 3.52 in 2017-18 and 4.15 in 2018-19.



## STRATEGIC OVERVIEW

# How we have made 'Outperform!' a sustainable outcome at our company



I am being increasingly asked to explain how we have endured across the long-term in a sector marked by mortality and how we have emerged as the second largest bead wire manufacturer in Asia (excluding China).

I believe that we have been able to survive, succeed and become sustainable due to a convergence of five strategic priorities – focus, conservatism cum aggression, discipline, responsibility and systemic maturity.

### Focus

There is a growing respect for focus in the global business community. There is an increased incidence of customers seeking to work with vendors whose strategic attention is not distracted by a number of business.

This preference is born out of specific realities in a competitive marketplace. In most sectors that you observe the world over, there is a growing premium on quality. The result is that products must not only be proved as dependable within the normal running of the business and as measured by the usual tolerance standards applied by customers. A number of customers are asking: 'Can the product withstand consistent stress at the terminal tolerance points?' and 'Can we measure product under-performance in single-digit parts per million?'

In our business, this growing quality emphasis is not misplaced. The bead wire that we manufacture is used in tyres (automotive and aviation, among others). In turn, tyres are being redesigned with the objective to enhance their grip across road conditions; the acceptable standards of yesterday are being rapidly replaced by the demanding benchmarks of tomorrow – with the singular objective of enhancing ride safety.

At our company, the importance of this quality emphasis is not lost. Even as our product accounts for no more than 3% of a tyre's retail price, it is possibly one of the most critical

technology-intensive components to go into a tyre. The bead wire plays a critical function: it holds the tyre on the rim and resists the action of inflated pressure that is constantly trying to force it off. This crucial link, through which the vehicle load is transferred through the rim to the tyre, prevents vibration during driving, enhances tyre safety and reinforces tyre durability.

Given this criticality, customers would rather work with specialists possessing a single-minded focus, their insurance against even a remote possibility of product under-performance. There is a growing customer preference to work with one or few trusted vendors selected on the basis of their demonstrated quality credentials than to work with a large number of suppliers on the basis of the lowest price offered.

There are other advantages of an enduring focus: the advantage of having scaled capacity in a single line of business, enhanced capacities at a low (or progressively declining) cost per unit, a rich understanding of diverse customer needs, a proactive investment in capacities that make such companies opportunity-ready.

At Rajratan, we have built a company around just this discipline and the result is that we are one of the largest bead wire manufacturers in Asia (excluding China) and possibly the most competitive.

### Conservatism cum aggression

I have also been asked: what kind of a company is Rajratan? Is it principally conservative or aggressive?

I would like to believe that we are a prudent combination of both. In our fundamental approach, we are principally conservative. This implies that before we embark on an initiative, we will factor in the possibility that a number of variables could change, demand could become sluggish and customer approvals could be delayed for reasons beyond our control.

This is where our conservative approach pays off. We are fundamentally configured to remain liquid and profitable even in the most depressed markets, so that we are the last person standing. Besides, our business is also configured around the reality that when demand rebounds, we are usually the first to benefit.

On the other hand, we believe that we are aggressive when the opportunity presents itself. For instance, at this moment in our existence, we see a maturing of our business: Asia is reinforcing its position as the economy driver of the world; Thailand's investor-friendly approach has resulted in the country emerging as the tyre capital of Asia; India's robust consumption engine, extensive under-penetration in vehicle ownership when compared with the global average and an anti-dumping duty on tyre imports from China have attracted the largest increase in capacity investments in the country's tyre industry.

At Rajratan, we believe that to remain conservative in the face of this unprecedented reality would be a strategic error. In view of this, the Company announced an ambitious plan to double the capacity of its Indian operations, which will be fully commissioned in the second quarter of 2019-20. In other words, what we achieved through patient capacity building across more than 20 years has been replicated in the space of 12 months. Correspondingly, the capacity of our Thailand operations increased 34% during the year under review.

### Discipline

At Rajratan, we believe that strategic effectiveness is derived when the benchmarks that have been created are consistently and comprehensively followed. Over time, these benchmarks evolve into an organisational discipline, helping de-risk the business on the one hand and provide a growth platform on the other.

## Our long-term optimism

**The** ownership of automobiles in India is a fraction of the global average and we see this under-penetration correcting with speed.

**The** role of a tyre – our principal downstream product – is becoming increasingly critical in the success of automobile brands, underscoring the use of quality resources (bead wire being one).

**Virtually** every single of our tyre customers is expanding manufacturing capacity, warranting a larger consumption of bead wire than ever.

**India's** growing engineering competitiveness has opened up large markets for automobile export.

**The** Indian tyre industry possesses stringent conditions, marked by an extended pre-qualification period, thereby serving as an effective entry barrier.

**We** foresee no threat of tyre substitution even as automobiles go through an extensive transformation from fossil fuel-driven to electric variants.

**An** increasing number of bead wire customers are seeking long-term relationships with select bead wire vendors; a singular focus on selecting the lowest cost vendor is yielding way to selection based on a superior price-value proposition.

This organisational discipline has been our manifest in various ways.

**One**, we borrow only to the extent that we will be in a position to service even across the most challenging market cycles. The result is that we select to expand our manufacturing capacities only when at least 80% of the debt mobilised to fund the previous expansion has been repaid.

**Two**, we believe that a gearing of 1:1 – which can often be interpreted as safe by many – can often be misleading if cash flows decline in sluggish market cycles. Therefore, we have cautiously avoided the use of gearing as a measure to indicate whether we should expand or not and would rather trust debt repayment instead (as explained earlier).

**Three**, we believe that capacity expansion is advisable and profitable only when the additional capacities are commissioned at a cost considerably lower than the cost of a greenfield equivalent and can be recouped within five years.

**Four**, we believe that we have created a basis of our long-term competitiveness through a culture of thrift and austerity, making it possible for us to be liquid and profitable across market cycles.

### Responsibility

At Rajratan, we believe that the new index by which the performance of companies is measured is responsibility.

The word 'responsibility' refers to all the initiatives we are taking to moderate our carbon footprint. This comprises initiatives directed

to moderate the consumption of all finite resources, shift from the use of fossil fuels to renewable alternatives, utilise nature's bounty to recharge and reinvest into the earth, recycle with the objective to reuse resources and dispose waste responsibly.

At Rajratan, we have a credible record in this regard. We are proud to state that during our existence stretching across more than two decades, we have never been closed for environment transgression. We accord the highest priority to the subject of environment integrity; we have invested in equipment that has helped moderate consumption; the acid that we use in our manufacturing facilities is treated, neutralised and the sludge sold to authorised buyers; we harvest rainwater across our factory area and recharge this into the earth every 40m; we intend to commission an effluent treatment plant in our Thai facility in line with the local regulatory requirements.

### Systemic maturity

At Rajratan, we believe that we do every one of the things that we have indicated and yet we could under-perform our potential for an important reason – the inability to enhance systemic maturity.

Over the years, we have increasingly focused on transforming a tightly-controlled promoter-driven company into one that balances the role of promoters and professionals. We believe that such companies prove to be attractively profitable and sustainable across the long-term.

At our company, we have grown the role of professionals in day-to-day management. We have created teams, we have delegated extensively, we have increased training, we have charted out an organisational direction and goal/linked to the role of each team (and in effect each employee) and we have plugged managerial gaps that are now enabling us to report all-round improvements.

The benefits have been encompassing. We are pleased to report that across the last couple of years, systemic productivity has increased (the ability to get more from less), product quality has strengthened and wire breakages have declined. The result is that we have been able to generate an attractive portion of the increased profits from within through a plugging of systemic weaknesses. The Rajratan of today is a reinvented organisation where the conventional concept of recovering cost increases through an increase in realisations has been replaced by a commitment to look within.

As an extension of this systemic maturing, the corporate tagline of 'Outperform!' has acquired a fresh definition – not as much as the need to outperform the broad sectoral average as much as the need to outperform oneself. As a result, our journey of a thousand miles has commenced with a decisive step towards stepping within.

We are proud to state that during our existence stretching across more than two decades, we have never been closed for environment transgression. We accord the highest priority to the subject of environment integrity

### Conclusion

At Rajratan, we believe that the ferment of these variables will translate into robust growth. What we achieved in the last 24 years in business we now intend to compress in only the next couple of years.

Our story starts now.

### Sunil Chordia

*Managing Director*



# Operational review of the Indian operations, 2018-19

This section explains how the Company strengthened its Indian operations by focusing on systemic efficiency that translated into superior product quality, lower wire breakages, increased customer delight and a larger wallet share – even as the Company was engaged in doubling its production capacity



## Q: Was the management pleased with the performance of the Company during the year under review?

**A:** The management was pleased with the performance of the Company for an important reason: it reported profitable growth at a time when the broad Indian economy was sluggish. The Company's revenues grew 41.32% to Rs. 492.88 crores while profit after tax strengthened 56.02% to Rs. 26.71 crores. The incremental revenues and profits were the largest reported by our company in any single year. I am pleased to report that the revenue growth generated did not in any way compromise our operating competitiveness. Our EBIDTA margin strengthened from 10.95% in 2017-18 to 10.98% in 2018-19 while Return on Capital Employed increased from 15.91% to 18.78% across the period.

## Q: What is the big message that you wish to communicate?

**A:** The big message that one wishes to communicate is that this improvement was not one-off and nor was it derived from fleeting commodity-driven arbitrage opportunities. The improvement was the result of our enduring competitive advantage in a stable sector. The performance was the result of optimised cost management, culture of austerity, conservative financial structure, enduring product focus, multi-year customer relationships, sustainable process improvements, procurement economies and a brand

for anytime dependability. The sum impact of these realities is our sectoral outperformance: even as bead wire demand in India grew 8-10% during the year under review, Rajratan grew revenues 41.32%. This indicates that our superior competitiveness is making it possible for us to carve away a disproportionately larger share of market growth in India.

## Q: What message does this improved performance send out?

**A:** The big message is that this improvement is the result of organisational maturing. This maturing has been reflected in a segregation of role profiles: the promoters are responsible for strategic direction-setting and monitoring progress while the senior managers are responsible for day-to-day business management. The active empowerment, delegation and an invigorating work environment resulted in improvements across the board: product quality and consistency improved, losses arising out of wire breakages declined, customer wallet share increased, product availability enhanced and in the process we strengthened our positioning as a company that customers desire to work with. This improvement is reflected in the numbers: Our capacity utilisation strengthened from 92% in 2017-18 to 98% in 2018-19; we generated a higher customer wallet share and in doing so, accounted for a larger proportion of revenues from customers we have been working with for five years or longer.

**Q: The Company announced a sizable capacity expansion during 2018. How is the capacity progressing and how will this strengthen the Company's competitive advantage?**

**A:** The capacity expansion – from 36,000 TPA to 72,000 TPA – will strengthen Rajratan's business across various levels.

**One,** the expansion will service the growing bead wire needs of our customers, each of whom is investing in capacity expansion. By the virtue of a concurrent capacity expansion within our company, we believe that our customers will be inclined to extend an existing relationship instead of seeking new bead wire suppliers.

**Two,** we believe that the capacity expansion will enhance customer confidence to the point where we account for a larger wallet share. We are attractively placed to make this happen: during the last financial year, we outperformed our sectoral growth by 3x, indicating that we are now accounting for a disproportionately larger share of market growth.

**Three,** we believe that the expansion will accompany a reorganisation of our manufacturing lines resulting in higher operating efficiency and smoother workflow.

**Four,** we believe that because the expansion is being conducted within our existing premises drawing from established infrastructure, our cost of

commissioning will be significantly below the average capital cost per tonne of a greenfield equivalent anywhere, strengthening our global competitiveness.

**Five,** 25% of the expansion is being funded by net worth while 75% is being funded through debt, the repayments of which are scheduled to begin as soon as the plant is commissioned.

There was a minor time over-run related to the commissioning of the plant, commissioning commenced during the second quarter of 2019-20 and we expect to scale the plant to full utilisation in two years.

**Q: What kind of performance do you see the Company reporting in 2019-20?**

**A:** We see attractive revenue growth – higher than the sectoral growth in percentage terms - derived from a superior sweating of our pre-expansion capacity coupled with impact derived from commissioning our expanded capacity. We believe that a continuous focus on cost management, process optimisation and the benefits of a redesigned coating line will translate into enhanced competitiveness. We believe that combination of the two should translate into an attractive volume-value impact in 2019-20.

**Q: Can you provide us with a consolidated perspective of the Company's prospects across the foreseeable future (after taking into account the prospects of the wholly owned Thailand subsidiary)?**

**A:** I am pleased to report that the Indian operations and the Thailand operations (under our subsidiary) are poised for attractive growth. The Thailand operations are profitable; the subsidiary is the only manufacturer of bead wire in that country; that business completed a 34% capacity expansion during the year under review, which should translate into larger volumes starting 2019-20 while the Indian operations doubled capacity expansion starting from the second quarter of 2018-19, and to be fully completed by second quarter of 2019-20. The result is that with both our business engines firing and secured by multi-year customer agreements, we expect to report attractive year-on-year growth across the foreseeable future.

# The operational review of the Thailand operations (100% subsidiary), 2018-19

This section explains how the Company's wholly-owned subsidiary Rajratan Thai Wire Co. Ltd. strengthened relationships with customers within Thailand and abroad, made progress with product approvals by large multi-national customers, increased manufacturing capacity and focused on systemic maturing



**Q: Was the management pleased with the Thailand operations during the year under review?**

**A:** We were pleased with what we achieved in Thailand during the year under review for some good reasons. We increased manufactured volumes from 22,078 tonnes in 2017-18 to 25,655 tonnes in 2018-19, which was completely in line with our budgeted numbers. The result was that the Thai subsidiary reported 16% growth in revenues, validating the point that we continued to outperform.

**Q: What were the various ways in which the Company strengthened the business to be able to deliver even better?**

**A:** There were a number of ways in which we strengthened the foundation to be able to build securely and sustainably across the future even as we addressed the business imperatives of the day.

**One,** due to proactive changes in our production process and our commitment to work closer with customers (existing and prospective), we accelerated the product approval process related to some of the largest global tyre manufacturing brands operating out of Thailand. I am pleased to state that we made the kind of progress on the approvals front that we had not made in years and I am optimistic that this progress should culminate in our being approved as a vendor to some of these global brands with shipments commencing from 2019-20 onwards. The big message here is that we are at the cusp of an attractive breakthrough

which can potentially translate into a sustainable growth in volumes, revenues and profits.

**Two,** we invested proactively in the business: in additional manufacturing capacity (enhancing our overall capacity from 26,000 TPA to 34,800 TPA) and in additional supporting infrastructure. We believe that this complement will not only make it possible to address the growing needs of our large and growing customers but also make it possible for us to supply just-in-time and sustainably through enhanced material storage capability.

**Q: How else did the Company strengthen the business during the year under review?**

**A:** At our company, we believe that volume growth is always the result of organisational maturing. Organisational maturing, in turn, is derived from the way we recruit, train, inspire, delegate and retain people. To prepare our company for the next round of growth, we focused proactively on the softer side of our business during 2018-19. For instance, we delegated more effectively to teams and within teams to specific individuals, a cascading top-down effect where every individual became aware of his or her role within the organisational matrix and how he or she would be individually responsible for organisational growth. We believe that this has enhanced a sense of emotional ownership, which will translate into increased productivity.

We appointed a consultant to look within and identify the right



organisational structure. The result is that during the course of the year, we made senior recruitments that plugged organisational gaps and I am pleased to state that we have created a team that is rounded and complete to address the challenges of the future. This momentum sustained: our marketing function was strengthened where we enhanced the frequency of customer engagements, providing us with a deeper insight into downstream requirements, which helped create next year's business plan. Our manufacturing team strengthened equipment maintenance, which helped increase the capacity of our supporting utilities and strengthened our plant capability to address the need for higher throughput. Our human resources function engaged in the mapping of individual skills and streamlining workforce capability. The result is that we streamlined our planning system (raw material to finished product) and we are now confident of

responding quicker as an organisation to increased market needs. In doing so, we have created a platform for the next round of the Company's growth.

The green shoots from these initiatives are already evident: wire breakages have declined, adhesion values are rising, downtime for maintenance is lower and additional costs from sub-optimal quality have reduced.

**Q: How will these translate into a better performance in 2019-20?**

**A:** As I have explained, we believe that approvals for our product from large multinationals as well as increased offtake by our existing customers should translate into a higher demand for our bead wire product. We moved proactively and increased our manufacturing capacity, the impact of which will be visible starting 2019-20. However, at Rajratan, we believe that capacity alone will not be enough; we will need to sweat

this capacity efficiently to generate a higher throughput. This efficiency will be derived from all the preparatory work that we did in the last financial year – balancing equipment capacity, preventive maintenance, training and streamline workflows. These initiatives generated green shoots in our quest for higher efficiency: the average of 70-75% that we would achieve in the past moved appreciably to 80-85% during the year under review and our objective will be to achieve a consistent 85% efficiency during the current financial year. As an extension of this commitment, we intend to replace some of our legacy process lines with modern equivalents for a modest capital expenditure that would be funded completely out of our accruals during the first half of the current financial year. I am optimistic that these modern process lines will make it possible for us to improve our product quality and manufacturing efficiency.





## Our integrated value-creation report

There is a growing importance of the Integrated Value-Creation Report as a communication discipline.

This Integrated Value-Creation Report overcomes the shortcomings of the conventional communication approach through a comprehensive reporting framework that reconciles 'hard' and 'soft' initiatives into an integrated format.

Integrated reporting combines different reporting strands (financial, management commentary, governance and remuneration, and sustainability reporting) into a coherent whole that explains an organisation's holistic ability to create, enhance and sustain value.

The primary purpose of integrated reporting is to explain to providers of financial capital how an organisation enhances value over time. The impact of the integrated report extends beyond financial stakeholders; it enhances understanding across all stakeholders - including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers - focused on an organisation's ability to enhance value across time.

Integrated Reporting highlights how green and ethical values drive long-term growth. This shift from the 'hard' to 'soft' (non-financial data) helps screen a company more comprehensively, addressing the needs of the investor fraternity/ government agencies.

# What went into our business: The causes

OUR SECTORAL CONTEXT

OUR INTANGIBLE STRENGTHS

RAJRATAN'S COMPETENCIES

RAJRATAN'S PERFORMANCE

## OUR SECTORAL CONTEXT

**Big picture:** Automotive Mission Plan is expected to transform India into a major global manufacturing centre and R&D hub.

**Vehicle consumption:** India consumed 22 vehicles per 1000 people compared with the American average of 980 per 1000 people, indicating an extensive consumption gap waiting to correct.

**Per capita income:** India reported a year-on-year growth in incomes – from Rs. 74,920 in 2013-14 to Rs. 1,26,406 in 2018-19 (provisional).

**Aggressive forecast:** The Indian automotive industry aspires to nearly triple vehicle sales by 2026, from 26 million to 76 million vehicles, across segments.

**Attractive trickle-down:** The Indian automotive components industry intends to double the contribution to manufacturing GDP with a four-fold growth in size and a six-fold growth in exports by 2026.

**Vast headroom:** The Indian automotive sector's contribution to global turnover is approximately 3% with a substantial scope for growth.

**Attractive inflow:** The sector attracted Foreign Direct Investments (FDI) worth USD 19.29 billion in the period April 2000 – November 2018.

**Exciting target:** In the Automotive Mission Plan 2026, the government and industry set a target to triple automotive industry revenues to USD 300 billion and expand exports sevenfold to USD 80 billion.

**Export market:** Passenger vehicle (PV) and commercial vehicle (CV) exports grew 25% from 2013-14 to 2017-18. Two-wheeler exports increased 40% during the same period.

**Anti-dumping duty:** India imposed anti-dumping duty on the import of certain Chinese radial tyres used in buses and trucks for five years.

## OUR INTANGIBLE STRENGTHS

**Singular focus:** Rajratan selected to focus largely on the manufacture of bead wire (77% of total capacity and 84% of revenues, 2018-19), resisting an entry into unrelated businesses.

**Commitment:** Rajratan proactively expanded its manufacturing capacity on the basis of plans drawn up by downstream marquee customers, graduating it from 'make-to-stock' to 'sell-and-make'.

**Outperformance:** Rajratan is driven by a commitment to outperform, derived from proactive investment, raising the bar and manufacturing efficiency.

**Experience:** Rajratan has been engaged in the manufacture of

bead wire and high carbon steel wire for more than two decades, weathering a number of market cycles.

**Knowledge:** Rajratan enriches its knowledge – sectoral realities, product standards and technology understanding – through collaboration with respected global bead wire consultants, strengthening technology absorption.

**Promoter's holding:** Rajratan's promoters demonstrated their commitment to the business through their high 63.5% equity ownership in the Company.

## RAJRATAN'S COMPETENCIES

**Spread:** Rajratan's manufacturing operations are located in two countries (India and Thailand); India is the fastest growing major global economy; Thailand is one of Asia's largest tyre manufacturing hubs.

**Scale:** Rajratan is the second largest bead wire manufacturer in Asia (excluding China), the largest manufacturer in India and the only such manufacturer in Thailand.

**Uniqueness:** Rajratan's manufacturing facility is the only one of its kind in Thailand, enjoying a 20% market share. The Indian facility is the largest in India and globally competitive.

**Technology:** Rajratan has brought to the table a deep technology competence in delivering one of the highest performance standards on the customer's equipment, reflected in the lowest wire breakages and higher adhesion force.

**Competitive:** Rajratan re-invested accruals in capacity expansion and utilised the prevailing infrastructure to expand at a relatively low capital cost per tonne. The doubling of capacity was at a project cost 40% of the global benchmark for an equivalent greenfield capacity.

**Infrastructure:** Rajratan invested proactively in a large manufacturing facility in the mid-Nineties, empowering it to amortise low historical costs while expanding.

**Lean company:** Rajratan reinforced a culture of relatively low overheads, strengthening its any-market viability.

**Approvals:** Rajratan's revenue visibility is derived from plants (India and Thailand) approved and audited by most large tyre manufacturers (Indian and multi-national), a competitive advantage.

## RAJRATAN'S PERFORMANCE

**Outperformance:** Rajratan reported revenue growth that was nearly 3x the sector's growth in 2018-19.

**Relationships:** Nearly 15% of revenues in 2018-19 were derived from customers working with the Company for at least two years ending 2018-19; 85% revenues were derived from

customers working with the Company for five years or more.

**Gearing:** Rajratan had only Rs. 48.43 crores of long-term debt on its books as on 31st March 2019. Working capital debt Rs. 88.87; overall gearing was 1.00.

**Cost of funds:** In three years, Rajratan moderated its overall working capital debt cost from 12% to 9% while gearing strengthened from 1.30 in 2015-16 to 1.00 in 2018-19.

**Rating:** Rajratan's credit rating was an attractive A- in 2018-19, helping moderate loan costs.





# Our strategy



## STRATEGIC FOCUS



## INNOVATE AND EXCEL



## COST LEADERSHIP



## SUPPLIER OF CHOICE



## ROBUST PEOPLE PRACTICES



## RESPONSIBLE CORPORATE CITIZENSHIP



## VALUE-CREATION

## KEY ENABLERS

Nurturing a culture of process innovation and product excellence, reflected in the launch of customised products, reducing wire breakages and enhancing the performance of our bead wire on the customer's end product

Driving a focus on operational excellence and cost leadership. Rajratan also commissioned manufacturing capacities in India within its existing Indore facility, drawing on existing infrastructure that helped reduce capital cost per tonne of the end product to well below greenfield commissioning costs

Rajratan reinforced its customer engagement through adequate capacity, timely product delivery and high product quality. The result is that 85% of its 2018-19 revenues were derived from customers of five years or more

Rajratan is an employer of more than 596 people (full time and contractual) across its Indian and Thai facilities. The Company's people engagement has been marked by delegation, empowerment, responsibility and accountability. The result is that Rajratan's invigorating workplace is marked by training, engagement, appraisal transparency, attractive reward and outperformance

Rajratan is a responsible corporate citizen engaged in various community development activities in the hinterland of its manufacturing facilities. Rajratan invested Rs. 29.77 lakhs across CSR activities in 2018-19

Rajratan enhances value through the manufacture of a quality-intensive product (bead wire) addressing the critical needs of tyre manufacturers. The Company enhances value to wires that are processed using superior technologies within narrow quality tolerance limits and delivered in a consistent way

## MATERIAL ISSUES / ADDRESSED

Superior use of cutting-edge technology leading to product differentiation

Creating the basis of long-term viability through an any-market cost competitiveness

Enhancing revenue visibility through customer agreements; focusing on a sell-and-make approach

Creating a professional culture seeking overarching excellence in everything the Company does

Community engagement, widening prosperity

Customer's needs for a customised high quality product

## CAPITALS IMPACTED

Manufactured, intellectual, financial

Financial, intellectual, natural, social and relationship

Intellectual, manufactured, social and relationship

Intellectual, human

Social and relationship, natural

Intellectual, manufactured, social and relationship



# The value we generated

## OUR RESOURCES

### Financial capital:

The financial resources that we seek are based on funds we mobilise from investors, promoters, banks and financial institutions in the form of debt, net worth or accruals.

### Manufactured capital:

Our manufacturing assets, technologies and equipment for production constitute our manufactured capital. The logistics for the transfer of raw materials and finished products are integral to our manufacturing competence.

### Human capital:

Our management, employees and contract workers form a part of our workforce, the experience and competence enhancing value.

### Intellectual capital:

Our focus on cost optimisation and operational excellence, as well as our repository of proprietary knowledge account for our intellectual resources.

### Social and relationship capital:

Our relationships with communities and partners (vendors, suppliers and customers) influence our role as a responsible corporate citizen.

## VALUE CREATED

### Financial capital:

**Rs. 492.88 crores**  
Turnover  
.....  
**Rs. 61.40**  
Earnings per share  
.....  
**18.78%**  
RoCE  
.....

### Manufactured capital:

**66210 MT**  
Quantum of tonnage produced  
.....  
**65663 MT**  
Quantum of tonnage sold  
.....

### Human capital:

**596**  
Number of direct and indirect employees  
.....  
**Rs. 24.11 crores**  
Total remuneration, 2018-19  
.....

### Intellectual capital:

**20 years**  
Cumulative senior management experience  
.....  
**1**  
Status of company in India's organised bead wire sector  
.....

### Social and relationship capital:

**202**  
Number of customers  
.....  
**1095**  
Number of vendors  
.....

## VALUE SHARED WITH

### Investors:

The Company enriched investors through dividends and capital appreciation.

### Suppliers:

The Company sourced Rs. 382 crores of material from suppliers.

### Employees:

The Company provided remuneration worth Rs. 24.11 crores and a stable employment.

### Customers:

The Company provided tyre bead wire and black wires across grades, generating Rs. 492.88 crores in revenues from customers.

### Government and regulations:

The Company paid Rs. 5.94 crores to the exchequer; the employment catalyzed the local community through downstream economic benefits.

**BUSINESS COMPETENCE # 1**

# How we provided world-class product quality to our customers



## Overview: why quality is becoming increasingly critical

There has been a revolution in road mobility across the last couple of decades. As roads the world over have become smoother, wider and longer, automobile manufacturers have developed vehicles with stronger engines, which in turn has transformed the quality benchmarks of the entire automotive eco-system. The result is that tyre technologies have evolved, placing a premium on the ability to deliver a new generation bead wire. Even as the product accounts for no more than 3% of the retail price of a tyre by cost, the product – holding the rubber of the tyre and steel of the rim together – is attracting superior technologies and customer attention. Because the cost of bead wire is negligible in the overall cost dynamics of tyre manufacture, the focus has progressively shifted from engaging the lowest cost material provider to one delivering

the best quality. This transition has proved particularly encouraging for a quality-committed manufacturer like Rajratan. The Company is not only one of the cost competitive bead wire manufacturers in the world but is also extensively committed to superior technologies and product quality – a compelling combination.

## Strengths: How Rajratan brings superior value to the customer's table

Over the last few years, Rajratan implemented a number of process modifications and coordinated raw material improvements with the objective to enhance end product quality.

Even as quality tolerance standards have become progressively narrower, Rajratan has delivered products around increasing consistency.

Rajratan invested in shopfloor knowledge and superior technologies

that helped enhance machine speed productivity 60%, enhancing production throughput at a negligible cost.

Rajratan was engaged in the fabrication of manufacturing equipment. This rich experience resulted in retained knowledge and insight into equipment modification leading to enhanced productivity.

Rajratan invested in a Quality Control team assigned the principal responsibility to benchmark the Company's standards with the best global standards.

## Achievements: Successful outcomes of various initiatives, 2018-19

The Company invested in process automation to achieve a number of small improvements (kaizens); the result is that the Process Performance Index climbed from 0.20 to more than 2.00 for 18 out of 32 parameters,

resulting in extensive process and product improvements.

The Company reported a significant improvement in product standards; customer appreciation increased.

A number of customers empowered the Company to self-certify its product quality, a precious trust mark.

The enhanced use of continuous weldless coils enhanced raw material integrity and reduced wire breakages.

The quality variations of the past declined; product deliveries were largely within stringent tolerance limits.

Product downgradation based on quality under-delivery virtually disappeared.

Machine availability increased from 98% to 99.60%; equipment efficiency climbed from 75% to 82% in 2017-18 to 86% in 2018-19.

Scrap generation declined 50 bps followed enhanced awareness.

### **Service: How we have progressively raised the bar**

In line with the international standard for the supply of the end product to customers in reel-less coils, the Company pioneering this practice in India and took reels back following use, minimising disposal issues at the customers end.

The Company increased the frequency of dispatches to customers, moving closer to just-in-time and making it possible for customers to enhance their working capital efficiency.

The Company positioned itself as a 'friend-philosopher-guide' and often stood in with ready supplies whenever alternative suppliers to the Company's customers failed to meet their delivery commitments.

The Company engaged closer with customers with the objective to educate them on how best their material could be used.

The Company provided customers the convenience of a 'super market', marked by a range of bead wire sizes.

### **The competitive moat we enjoy that deters new competition**

The sector is marked by low 1:1 asset-turnover ratio generally achieved within about four years of commissioning.

- This period is spent in getting customer approvals, resulting in low turnover
- The low asset-turnover ratio in the initial years makes it imperative to sustain a large interest outflow, stretching the Balance Sheet
- The business is marked by limited room for value-addition - high cost of raw material and thin margins
- The cost of commissioning a greenfield manufacturing unit is rising all the time, making greenfield businesses unviable

---

## **BUSINESS COMPETENCE # 2**

# How we are creating an invigorating and inspired company

### **Overview: why we are optimistic that our people represent a robust foundation**

In a business where the raw material cost is 65% of the cost of production and the cost of production (ex-interest, depreciation and tax) ranges between 87% to 89%, there is a premium on the ability to manufacture at a high operating efficiency through a superior knowledge.

At Rajratan, we believe we possess a rich wire processing knowledge pool with specialisation in bead wire. This knowledge has been enriched across more than two decades following an exposure to different market cycles, global collaborator, quality-respecting clients and evolving sectoral standards.

The Company had 596 employees as on 31st March 2019; 60% of the employees had been with the Company for more than 15 years, indicating a distinctive culture. The average age of 40 represented an attractive balance between youthful enthusiasm and experience.

The Company effectively protected its knowledge capital by providing an invigorating workplace coupled with delegation and empowerment (including the empowerment to shut operations if they feel that operational safety has been even temporarily compromised). The Company reported 98% retention of its people capital during the year under review, considerably higher than the sectoral average.

### **Achievements: Successful outcomes of various initiatives, 2018-19**

The Company strengthened its culture around a global quality standard.

The Company prioritised that quality improvement over everything else.

Investment in process orientation helped derive the right product quality the first time.

Investment in cutting-edge technologies was enhanced.

The introduction of a number of recognition platforms (Best Kaizen Award, 5S Award across 15 zones, Man of the Month Employee Award across different parameters and Safety Week) enhanced worker compliance and productivity.

The introduction of focused projects helped enhance process effectiveness; special productivity-linked events enhanced awareness and performance.

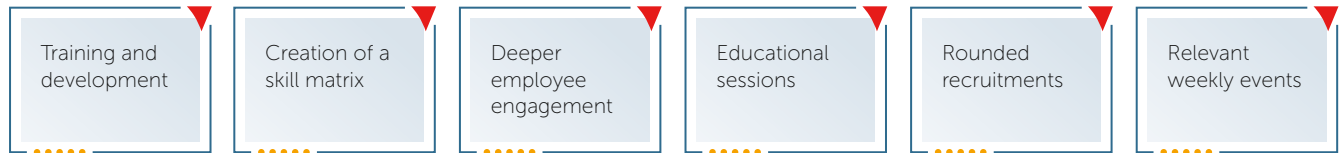
The Company engaged junior executives in ongoing strategic and

tactical dialogues; knowledge sharing was strengthened across teams; KRAs, skill score and competency mapping were introduced and reviewed periodically; soft skills training was introduced (starting with training in English communication); monthly

health programmes were started

The result of these initiatives was that shopfloor productivity improved; wire breakages and scrap generation declined; there was no downtime due to interruption in industrial harmony.

### How we intend to enhance our global competitiveness



## BUSINESS COMPETENCE # 3

# How we are emerging as one of the most knowledgeable research-led global bead wire companies

### Overview: why we deepened our research emphasis

There is a quality revolution passing through the automotive sector, marked by the need for increased product performance, enhanced product safety and lifetime warranty.

This reality is creating the need for the entire vendor eco-system to keep in step through the reinvention of quality mindsets and looking at business processes through a new pair of eyes.

At the heart of this reinvention lies the role of cutting-edge research, manifested in the priority to manufacture better products in less time at a lower cost.

At Rajratan, this quality emphasis translated into an immediate priority to leverage our research to reduce the incidence of wire breakage and enhance product adhesion with a cascading impact on our shopfloor productivity, customer satisfaction and financials.

### Initiatives: Making extensive implementations, 2018-19

**Benchmarking:** The Company

embarked on a raw material and product benchmarking exercise with the prominent company British Steel, possessing an insight into the achievement of the best bead wire quality standards in the world.

**Impact:** The Company made research-inspired changes in our end product processes to enhance product quality; it worked with our principal raw material supplier to provide a wider input range and emerge as a one-stop provider.

**Shopfloor:** The Company studied processes to make timely improvements; it increased the frequency of dumping the process bath; it experimented with the process design to enhance coating effectiveness; it optimised the die draft.

### Training: The Company sent senior executives to be trained by an international faculty

**Teamworking:** The Company created cross-functional teams drawn from five different departments with the objective to enhance holistic solution

seeking. A decline in an arbitrary approach to problem solving in favour of a more structured response resulted a decline in the time lag between problem identification and resolution.

### Achievements: How we enhanced our process effectiveness, 2018-19

The Company improved adhesion standards.

It was selectively empowered by customers to self-certify its process integrity.

The number of parameters, covered as part of the PPK, increased in the average score.

Process predictability increased and variations declined as the mindset changed from the reactive to the proactive.

The Company achieved the coveted 2 PPK status across a majority of measurable quality parameters.

The Company submitted a proposal and got approval for its research laboratory by Department of Scientific and Industrial Research.



## BUSINESS COMPETENCE # 4

# How we are building on a credible financial foundation

### Overview: why we are attractively placed to profitably build our business

Rajratan went into business more than two decades ago. The Company invested proactively in large infrastructure that is still being used. The investment was made at historical costs, which have since helped the Company progressively utilise additional parts of the infrastructure to build additional capacity. This incremental capacity has been created at costs considerably lower than prevailing greenfield costs. The result is that each successive capacity expansion has strengthened the Company's competitiveness. We believe that this competitive advantage is likely to be sustained; we have consumed only 37.37% of the land space within our factory area.

Complementing this competitive capital cost per tonne of installed capacity is the low gearing on the Company's books. As on 31st March

2019, the Company had only Rs. 48.43 crores of long-term debt – an effective gearing of 1.00. We believe the quantum of this long-term indebtedness to be safe and prudent makes it possible for us to more than address our financial liabilities across market cycles. The other index of this financial prudence is reflected in our comfortable interest cover, which we believe should only increase when the expanded capacity goes fully on stream.

We believe that our financial discipline represents our biggest insurance wherein we will borrow for the long-term only when we have generated a significant payback from our previous expansion; we will negotiate aggressively for additional working capital debt at progressively lower costs by using the power of our strengthening credit rating; we will work with customers who are credible and liquid, protecting our receivables cycle.

### Achievements: Successful outcomes of various initiatives, 2018-19

The Company strengthened its financial foundation in various ways.

The Company's credit-rating strengthened from BBB+ in 2016-17 to A- in 2017-18 and A- in 2018-19. The Company successfully negotiated to moderate the cost of borrowed working capital.

The Company worked with a comfortable receivables cycle; the quantum of payment default was virtually zero on account of working with credible long-term customers.

The Company enjoyed a tax hedge for eight years on its Thai operations for all production in excess of 20,225 TPA.

The Company strengthened its interest cover. Nearly 25% of the Company's business reinvestment in 2018-19 was sourced from accruals.



## BUSINESS COMPETENCE # 5

# How we strengthened our marketing to reach a wider range of customers

## Overview: why the downstream sectoral landscape is transforming

A greater emphasis on consumer safety is driving the next round of quality improvement influenced by demanding standards.

This transforming scenario is requiring manufacturers to co-produce products with their customers, strengthen their compliance, commission adequate manufacturing capacities, institute relationship officers that help customers resolve issues and requirements with speed, provide a multi-level accessibility to customers beyond relationship officers and a responsiveness to evolving and urgent needs.

## Strengths: How we are leveraging them to respond to a demanding environment

The Company is a focused manufacturer, strengthening its brand as a specialist in the eyes of customers.

The Company enjoys enduring

relationships with the best marquee tyre brands; the account and wallet share of each customer is growing.

## Achievements: How we strengthened our marketing, 2018-19

The Company captured a disproportionately high 60% of market growth, growing nearly 3x of the sector.

The Company entered a new black wire segment of mattress springs.

The Company entered geographies like Malaysia, Indonesia and Philippines; exports (both plants) accounted for 19.15% of the Company's revenues.

The outlook appears positive: the Company's product is at an advanced stage of approval with two large global customers; two of the largest Indian tyre companies increased their prospective bead wire requirements; the Company's capacity expansion will go on stream in the second quarter of 2019-20.

## Case study: Shrinking delivery schedule from days to minutes

One of India's largest tyre manufacturers had a new and demanding requirement. The quality of our product was fine, they said; what they needed was a delivery schedule quicker than the seven days being followed. The requirement was challenging given the geographical distance between Rajratan's facility and the customer's tyre manufacturing facilities. Rajratan got down to the drawing board – and emerged with a differentiated solution. The Company launched the concept of a 'Warehouse on wheels'. This warehouse – a large commercial vehicle – was stationed outside the customer's manufacturing facility. Making it possible to service requirements just in time. The seven-day delivery schedule was brought down to minutes!

## Why Thailand is the new center of the tyre universe

**Thailand** is the source of 37% of the world's new raw rubber supply. Thailand is the world's largest rubber exporter.

**The** country can already produce every category of tyre (except flat tyres).

**The** Thai government has plans to increase tyre production from 530,000 tonnes per year to more than a million tonnes in the next couple of years.

**The** U.S. is playing a role in helping that happen. The long-running battle against Chinese-made tyres being dumped into the U.S. at below market value has seen tariffs introduced and raised on

various classes of imported tyres. Tyres made in Thailand are not subject to these anti-dumping and countervailing duties so some companies are moving investments into Thailand.

**The** world's tenth largest tyre maker (and China's largest) Hagzhou Zhongce Rubber has built a new facility in Thailand, as did Linglong Tyre and Double Coin.

**Thailand's** government-operated Board of Investment announced it would be investing USD 100 million to build a major automotive tyre testing facility.

**The** Board of Investment announced that Bridgestone

Corporation, Shandong Linglong Tyre Company, and Goodyear Thailand would be investing more than USD 312 million to turn the country into an ASEAN hub for aircraft tyre manufacture.

**Most** of the major global tyre players such as Bridgestone, Michelin, Sumitomo, Yokohama, Goodyear, etc., operate their production facilities in Thailand.

**The** country's tyre market is projected to cross USD 5.6 billion mark by 2022.

(Source: Traction news, Tech-sci Search)

# Corporate social responsibility

Rajratan believes that it is the responsibility of every organisation to give back to the society. The Company has been following this ideology since its inception, much before it became mandatory for organisations to allocate a portion of its profit towards CSR initiatives. Keeping national priorities in mind, the Company invested Rs. 29.85 lakhs on CSR initiatives that were carried out under the aegis of the Rajratan Foundation.



## SANITATION

- Organised and conducted training camps in rural areas around Indore and Pithampur to raise awareness and bust myths perpetuated by rural women about menstruation
- Distributed sanitary napkins among >3,000 underprivileged women every month in collaboration with various Foundations



## EDUCATION

- Joined hands with the Literacy India Foundation to provide quality education to underprivileged children
- Took over the responsibilities of five schools in collaboration with the Friends of Tribal Society
- Provided scholarships to deserving students for pursuing higher education



## SPORTS

- Collaborated with the JSW Foundation and started nurturing talented sportspersons by providing them with necessary equipment for free
- Developed training facilities for aspiring athletes



## NUTRITION

- Distributed food packets and health supplements among underprivileged students in collaboration with Khushi Foundation



## HEALTHCARE

- Distributed free medicines among underprivileged individuals residing in Indore and Pithampur; funding preliminary medical care in collaboration with Sahayata
- Collaborated with Sahayata Foundation to provide free dialysis service to patients





# Management discussion and analysis



## GLOBAL ECONOMIC OVERVIEW

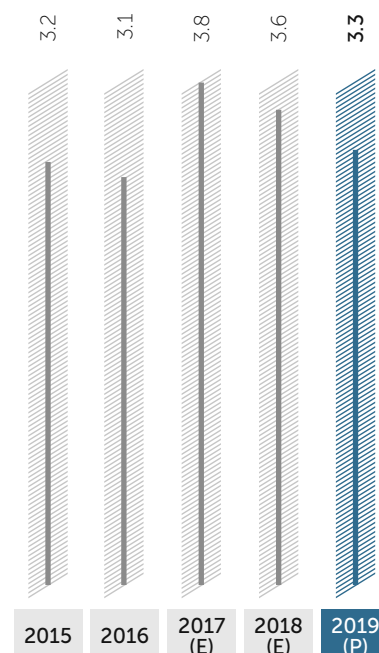
Following a robust growth of 3.8% in 2017 and in the first half of 2018, the global economy slowed in the second half of 2018, reflecting a confluence of factors affecting major economies like the failure of Brexit negotiations, tightened financial conditions, geopolitical tension and higher crude oil costs. Owing to this, the global economy growth in 2018 is estimated at 3.6% and is projected to slow down further to 3.3% in 2019.

Crude prices remained volatile as a result of multiple factors including the American policy pertaining to Iranian exports and softening global demand. Oil prices dropped from a four-year peak of USD 81 per barrel in October 2018 to USD 61 per barrel in February 2019.

## INDIAN ECONOMIC OVERVIEW

India retained its position as the sixth largest global economy and the fastest growing trillion-dollar economy. However, the Indian economy slowed as well, reporting 6.8% growth in FY2018-19 after 7.2% in 2017-18. This slowdown was pronounced in the second half of the financial year when the economy was marked by a decline in liquidity, consumer sentiment and offtake. The decline may have been more pronounced but for annual inflation (including food and energy prices) declining to 2.6%, one of the lowest in years. The rupee weakened to Rs. 74.45 to a dollar during the course of the year but rebounded to close at a more respectable Rs. 69.44. India attracted USD 38 billion in foreign inflows in 2018, which was higher than China's USD 32 billion. India reported a 23-notch jump to the 77th position in the World Bank's list of countries ranked for facilitating business ease. The result is that India is expected to grow at 7.3% in FY2019-20, benefiting from structural reforms. (Source: CSO, Fitch, Economic Times, Business Standard, IBEF, Business Today, India Today, IMF)

### Real GDP growth (%)



[Source: World Economic Outlook, April 2019] E: Estimated; P: Projected



## GLOBAL TYRE INDUSTRY OVERVIEW

The size of the global tyre market was estimated at 3.1 billion units in 2018, growing at a CAGR of 4.3% during 2011-2018. China remained the largest market in the world with growth in the US halting both in the replacement and OEM markets. The European tyre industry registered growth with Germany, the UK, France, Italy, Spain and Poland contributing about ~60% of the European tyre sales. The global truck and bus tyre segment witnessed strong demand from OEM clients.

Sales increased in Asia by ~26% in the segment with most of the growth coming from China at a rate of ~30% y-o-y. Demand in North America grew by ~10%, while Europe recorded a growth of 8%. In 2017, the global passenger car tyre demand grew by ~2.7%. Demand from the OEM segment sustained globally, except for North America.

The replacement tyre segment grew by ~3% with most of the growth coming from Europe, Asia and South America. Investments worth USD 22 billion have been planned between 2016 and 2021 in the tyre industry, with Asia accounting for ~46% of the total investments, and ~50% of the total global sales. (Source: IMARC, Zion Market Research, Tech-Sci Research, Alpha Invesco, Economic Times)

### Outlook

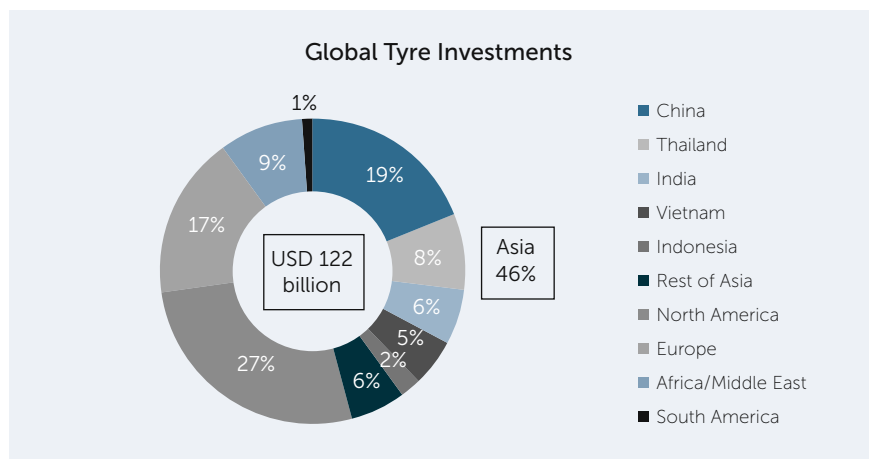
Global demand for tyres is expected to reach 3.2 billion units a year in 2022. In value terms, sales of tyres are projected to advance at a rate of 4.9% per annum, boosted by expected increases in raw material prices and the continued development of higher quality tyres. As production of these higher value tyres expands, it will cause changes in manufacturing locations, plant capacities, and tyre replacement rates. Because tyres are essential components of motor vehicles and other transportation equipment, two key factors affect growth:

- Rising incomes in developing nations increase purchases of motor vehicles and the need for OEM tyres. A larger local vehicle park

also increases the pool of potential replacement sales.

- Economic growth contributes to increases in average annual vehicle mileage and expedites the need for replacement tyres.

Three of the world's four largest tyre markets are located in Asia: China, India, and Japan. Through 2022, the Asia-Pacific region will offer the best opportunities for increased tyre sales. On-going industrialisation efforts and economic expansion will increase personal income levels and boost the share of the population that can afford motor vehicles. As a result of increased motor vehicle ownership rates, opportunities for associated replacement tyre sales will rise. (Source: Freedonia Research)



## THE INDIAN TYRE INDUSTRY OVERVIEW

The Indian tyre market reached a total consumption volume of 184 million units in 2018. The industry witnessed a slowdown in growth in the second half of 2018-19 as a result of the slowdown in automobile sales and change in consumer sentiments due to liquidity crunch and slowdown in infrastructural expenditure due to the elections. Production growth for 2018 was pegged at ~7-8% compared to ~6-7% in 2017.

Acceptance of Indian tyres in the global market in terms of quality and pricing has boosted export demand. Unit and tonnage growth were pegged at 8.5% and 7%, respectively, for FY19. India emerged as a preferred destination for greenfield and brownfield investments in the tyre sector with six out of the top-10 global tyre majors establishing a manufacturing as well as marketing base in India. Likewise, leading

Indian tyre manufacturers have turned multinational by setting up manufacturing facilities outside India. Indian tyre exports crossed Rs. 12,000 crore during FY19 compared to Rs. 11,180 crore in FY18, with US and Germany accounting for >20% of the total exports.

Demand for tyres is predominantly driven by two categories – replacement and OEM – contributing

56% and 44%, respectively. Truck and bus tyres accounted for a share of ~55% whereas passenger car radials accounted for the largest share of global revenues. This is because of the low penetration of passenger vehicles in India – <20 per 1,000 people (in China the number is 69 and 786 in the US). Truck and bus tyres contribute ~50% of the total volume. In the OEM segment truck and bus tyres accounted

for 35% of the demand whereas public vehicles and two and three-wheelers accounted for 25% and 22%, respectively. In the replacement segment, demand was skewed towards truck and bus tyres, which contributed ~61% whereas, public vehicles and two and three-wheelers contributed 14% and 9%, respectively. (Source: *Business Standard*, *IMARC*, *Tyre Asia*, *Economic Times*, *Alpha Invesco*)

## Outlook

The Indian tyre industry is projected to grow at a rate of 7-8% despite a sectoral slowdown. Tyre manufacturers remain optimistic with investments worth Rs. 20,000 crore being planned via both greenfield and brownfield projects. A sizeable chunk of these investments will focus on the faster-growing segments like truck, bus and specialised tyres. (Source: *ATMA*, *Business Standard*)

## WHAT MAKES INDIAN TYRE MANUFACTURERS OPTIMISTIC OF THEIR PROSPECTS?

### BRIDGESTONE INDIA

- Committed to invest USD 304.3 million over the next five years to expand two of its manufacturing plants in Pune (Chakan) and Indore (Kheda)
- The production capacity of the two plants is expected to increase by ~15,000 tyres per day, enhancing total daily production to ~42,000 tyres by 2020

### MICHELIN

- Doubled the production capacity at the Indian facility to 30,000 tonnes per annum in 2018
- Committed to invest Rs. 3,500 crore in a factory and a R&D centre
- The manufacturing facility near Chennai has production with a capacity of ~15,000 tonnes a year

### MRF

- Plans to invest ~Rs. 800-1,000 crore a year on products and brownfield expansion
- Earmarked an investment of Rs. 45 billion in Gujarat over the next decade to set up its ninth unit

- Planned to operationalise one more unit in Chennai by 2020

### APOLLO TYRES

- Planning investments worth Rs. 2,800 crore in the greenfield plant located in Andhra Pradesh for Truck Bus Radial (TBR)
- Doubled its truck bus radial production capacity in Chennai from 6,000 tyres to 12,000 tyres per day, with an investment of Rs. 2,700 crore

### CEAT TYRES

- Planning investments worth Rs. 4,000 crore for capacity expansion at Halol (truck and bus radials), Chennai (passenger cars), Ambarnath (off-highway tyres) and Nagpur (two-wheelers), out of which ~Rs. 1,500 crore will be spent in 2019

### YOKOHAMA INDIA

- Intends to expand capacity from 700,000 to 1,530,000 tyres a year with a planned investment of ~Rs. 3.8 billion
- Production is scheduled to begin in the fourth quarter of 2019

### JKIL INDIA

- Planned expansion for truck and bus radials at Cavendish Plant, Laksar, so as to double capacity by 2019

### MAXIS

- Started production in Gujarat, improving output to 15,000 tyres per day
- Plans on starting three more Indian plants within the next eight years

### VEE RUBBER

- Targeting 5,000 tyres per day with the second phase to start in 2020

(Source: *Economic Times*, *ATMA*, *Business Standard*, *CARE*, *ET Auto*, *Yokohama India*)

## GROWTH DRIVERS

**Increasing investments:** An investment of Rs. 51,000 crore has just been completed or is currently lined up (greenfield and brownfield expansion) by the industry. The tyre industry stands as the torchbearer of the Make in India initiative. Over the last few years, the tyre industry has stood out in terms of substantial investments to support growth.

**Infrastructural developments:**

A significant increase in the construction of roads and highways is expected to catalyse the demand for truck tyres by ~15-20% over the next couple of years.

**Radialisation growth:** Radialisation showed a growth of ~50% in 2018, compared to ~44% in 2017.

**Policy boost:** The Automotive Mission Plan (2016-2026) envisages that the Indian automobile industry will grow 3.5-4x in value during this period. The tyre industry, too, is projected to increase to a size of USD 30 billion from the current turnover of USD 8 billion.

**Anti-dumping duties:** Chinese imports dropped about ~79% in 2018 compared to the previous year, leaving a window of opportunity open for domestic manufacturers.

**Export demand:** Preliminary figures indicated that tyre exports crossed Rs. 12,000 crore during FY19 compared to Rs. 11,180 crore in FY18, with US and Germany accounting for >20% of total exports.

**Replacement demand:** Replacement tyre demand, especially in the truck and bus segment, recovered sharply in the last one year supported by the post-effects of GST, pick-up in infrastructure activities and healthy consumption-driven demand.

(Source: ET Auto, ICRA)

## EMERGING TRENDS

**Radialisation drive:** Radialisation has been a positive spinoff of the emphasis on fuel efficiency and better on-road performance. In the case of passenger tyres, radialisation is virtually complete. However, the most noteworthy transformation is visible in the case of truck and bus tyres, where radialisation has made a quantum jump from 6% in FY2008-09 to ~50% in FY2018-19.

**Raw material switch:** Over the years, the usage of carbon black has significantly declined in tyres made for passenger vehicles. The tyres made for passenger vehicles, two and three-wheelers need not have much of carbon black as they do not have the bear cargo load as much as a commercial vehicle needs. Since these segments form a majority of the automobile sales, higher usage of less harmful raw materials such as silica

can tremendously help in lowering pollution levels.

**Capacity additions:** The tyre industry in the country witnessed large capacity addition in the last decade with a cumulative spend of ~Rs. 27,800 crore, of which ~70% was spent in the last six years.

(Source: ET Auto, ICRA)

## DETAILS OF SIGNIFICANT CHANGES IN THE KEY RATIOS AND RETURN ON NET WORTH

As per the amendment made under Schedule V to the Listing Regulations read with Regulation 34(3) of the Listing Regulations, details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios and any changes in return on net worth of the Company including explanations therefore are given below:

Particulars	Standalone			Consolidated		
	2018-2019	2017-2018	Change	2018-2019	2017-2018	Change
Debtors' turnover	5.53	4.35	1.18	6.85	5.06	1.79
Inventory turnover	12.68	12.95	(0.28)	10.39	8.64	1.75
Interest coverage ratio	3.98	3.00	0.98	4.15	3.52	0.63
Current ratio	1.22	1.34	(0.12)	0.89	0.91	(0.02)
Debt-Equity ratio	0.60	0.44	0.16	1.00	0.87	0.13
Operating profit margin (%)	11.51	9.39	2.13	10.98	10.96	0.02
Net profit margin (%) or sector-specific equivalent ratio as applicable	5.94	3.95	1.99	5.42	4.91	0.51
Return on Net Worth (%)	14.90	8.44	6.46	20.35	17.93	2.42

## RISK MANAGEMENT

### Raw material risk

**Challenge:** There is a priority in securing access to a sustainable quantum of raw material to keep production lines running especially in raw material shortage environments

**De-risking:** The Company has been working with select raw material suppliers for years. The consistency of engagement and growing quantity of raw material accessed has made the Company a preferred customer.

**Measure:** This positioning was validated in the last two years, when even as raw material access and prices became challenging, the Company enhanced capacity utilisation and reported its highest-ever production.

### Quality risk

**Challenge:** In a business where sub-optimal or inconsistent quality can result in customer attrition and where bead wire addresses a critical downstream impact, there is a premium on the need to maintain high quality at all times.

**De-risking:** The Company strengthened its quality management, substantially moderating wire breakage, enhancing adhesion value and delivering a higher overall product efficiency on the customer's equipment.

**Measure:** The Company enhanced revenues 41.32% during the year under review, validating its high acceptance among customers.

### Customer relationship risk

**Challenge:** In a business where customers buy for extended tenures, a relationship break could mean a revenue setback for the business.

**De-risking:** The Company works closely with technical teams of customer companies, customising bead wire in line with their precise requirements. The Company progressively invested in manufacturing capacities in line with the expansion plans of its downstream customers, ensuring proactive availability.

**Measure:** Nearly 85% of revenues derived in 2018-19 were from customers who worked with the Company for five years or longer.

### Debt risk

**Challenge:** In a business where expansion could warrant debt, the high cost of external funds could affect the long-term health of the business.

**De-risking:** The Company has acquired the scale to generate a large part of investable surpluses from within, a virtuous cycle where every successive capacity expansion can be largely funded with resources from within.

**Measure:** Nearly 25% of the capacity doubling of Indian operations were funded through accruals; the borrowed funds were sourced at an average cost of 9.2%, strengthening prospective viability.

### Product approval risk

**Challenge:** The business is marked by long tenures taken by prominent tyre companies to approve product and process integrity, which can affect profitability during the extended gestation period.

**De-risking:** The Company enjoys approvals (first-time and repeat) from most of the largest and prestigious tyre companies operating out of India and Thailand, transforming what could have been one – off transactions into relationship-driven repeat revenues.

**Measure:** The Company is now working with more than five customers for the approval of its products.

### Capital cost risk

**Challenge:** Greenfield investments in the manufacture of bead wire could take an extended period to break even.

**De-risking:** The Company has been engaged in bead wire manufacture for two decades, a number of its infrastructure and equipment based on lower legacy costs, resulting in a competitive advantage. This has made it possible for the Company to enhance capacity at a cost lower than the prevailing average. Besides, the high capital cost per installed tonne serves as a moat, restricting the number of new industry entrants.

**Measure:** The Company's capacity doubling was carried out at 40% of the cost of commissioning of the greenfield bead wire unit.

### Customer dependence risk

**Challenge:** Customer attrition could affect the Company's prospects.

**De-risking:** The Company works with a large number of customers, providing them with the confidence of timely quality supply. The Company has not lost any major customer in the last number of years.

**Measure:** The Company did not derive more than 14% of its revenues (2018-19) from any single customer.



## HUMAN RESOURCES

The Company believes that the quality of the employees is the key to its success and is committed to equip them with skills, enabling them to seamlessly evolve with ongoing technological advancements. During the year, the Company organised training programmes in different areas such as technical skills, behavioural skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values and code of conduct. The Company's employee strength stood at 366 as on 31st March 2019.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

## CAUTIONARY STATEMENT

The management discussion and analysis report containing your Company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. The statements in this management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in the governmental regulations, tax regimes, forex markets, economic developments within India and the countries with which the Company conducts business and other incidental factors.

## NOTICE TO MEMBERS

Notice is hereby given that the **31st Annual General Meeting** of the members of Rajratan Global Wire Limited will be held on Monday, 22nd day of July 2019 at 2.00 P.M. at the registered office at "Rajratan House" 11/2, Meera Path, Dhenu Market, Indore, Madhya Pradesh – 452 003, the route map of which is given at back page, to transact the following:

### ORDINARY BUSINESSES

1. To receive, consider and adopt the Audited Financial Statements of the Company (including consolidated financial statements) for the financial year ended 31st March 2019, together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend of Rs. 2.00/- per equity share of Rs. 10/- each for the financial year 2018-19.
3. To appoint a Director in place of CA. Abhishek Dalmia (DIN-00011958), who retires by rotation, and being eligible, offers himself for reappointment.

### SPECIAL BUSINESS

#### 4. Ratification of Cost Auditors' Remuneration

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

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby ratifies the remuneration payable of Rs. 50,000 (Rupees Fifty Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses to be paid to M/s Sushil Kumar Mantri & Associates, Practicing Cost Accountants (Firm Registration No. 101049) appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ended 31st March 2020.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and/or otherwise considered by them to be in the best interest of the Company."

5. **To re-appoint Mr. Shiv Singh Mehta (DIN - 00023523) as an Independent Director, not liable to retire by rotation, for second term of 3 (three) consecutive years with effect from 22nd July 2019**

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 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules framed thereunder read with Schedule IV to the Act and Regulation 17(1) and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Shiv Singh Mehta (DIN - 00023523), who was appointed as an Independent Director of the Company and whose first term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to the requirement of Section 160 of the Companies Act, 2013, and as recommended by the Nomination and Remuneration Committee and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of three (3) consecutive years i.e. upto 21st July 2022 on the Board of the Company."

6. **To appoint Mr. Rajesh Mittal, as an Independent Director, not liable to retire by rotation, for first term of 3 (three) consecutive years with effect from 22nd July 2019**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules framed thereunder read with Schedule IV to the Act and Regulation 17(1) and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") (including any statutory amendment(s), modification(s) or re-enactment thereof, for the time being in force), Mr. Rajesh Mittal, who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 from a member proposing his candidature for the office of Director of the Company and who has given a declaration that he meets the criteria of independence as per Section 149(6) of the Act and rules framed thereunder and Regulation 16(1) (b) the Listing Regulations and eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five (3) consecutive years, that is, up to 21st July 2022."

**7. To appoint Mrs. Aparna Sharma (DIN - 07132341), as an Independent Director, not liable to retire by rotation, for first term of 3 (three) consecutive years with effect from 22nd July 2019**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules framed thereunder read with Schedule IV to the Act and Regulation 17(1) and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") (including any statutory amendment(s), modification(s) or re-enactment thereof, for the time being in force), Mrs. Aparna Sharma (DIN - 07132341), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 from a member proposing his candidature for the office of Director of the Company and who has given a declaration that she meets the criteria of independence as per Section 149(6) of the Act and rules framed thereunder and Regulation 16(1)(b) the Listing Regulations and eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of three (3) consecutive years, that is, up to 21st July 2022."

**8. Appointment of Mr. Yashovardhan Chordia as a Non-Executive Director**

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

"RESOLVED THAT pursuant to the provisions of Sections 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the existing Regulations"), including any statutory modifications or re-enactment(s) thereof and any rules made thereunder, for the time being in force, Mr Yashovardhan Chordia, in respect of whom the Company has received a notice in writing under section 160, along with a deposit from a member proposing his candidature for the office of Non-Executive Director be and is hereby appointed as a Non-Executive Director of the Company and whose office is liable to retire by rotation."

**9. To approve Re-designation of Mr. Sunil Chordia (DIN 00144786) as Chairman & Managing Director, revision in his remuneration and approval of payment of remuneration as per SEBI (LODR) (Amendment) Regulations, 2018.**

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

"RESOLVED THAT subject to the applicable provisions of Section 196, 197, 198 and 203 read with Schedule V to the Companies Act, 2013 (the Act), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, approval of the Company be and is hereby accorded for revision in maximum remuneration payable, in partial modification of the previous resolution passed in the Annual General Meeting dated 21st July 2018, to Mr. Sunil Chordia (DIN: 00144786) Managing Director of the Company with effect from 1st April 2019 for the remaining period of his present term of appointment, as set out in the Explanatory Statement annexed to the Notice convening this meeting with the liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or remuneration, in such manner as may be agreed to between the Board of Directors and Mr. Sunil Chordia within and in accordance with the Act or such other applicable provisions or any amendment thereto notwithstanding that the annual remuneration payable to Mr. Sunil Chordia, Managing Director, exceed two-and-half (2.5) percent of the net profits of the Company as calculated under Section 198 of the Act and aggregate remuneration payable to Executive Directors, who are promoters, including Mr. Sunil Chordia, exceed five (5) percent of the net profits of the Company as calculated under Section 198 of the Act in any financial year during the remaining tenure of his appointment i.e. upto 31st March 2021.

**FURTHER RESOLVED THAT** where in any Financial Year during the tenure of Mr. Sunil Chordia, the Company has no profits or profits are inadequate, the remuneration as detailed in the explanatory statement or remuneration as may be approved by the Board of Directors of the Company from time to time shall be paid as minimum remuneration.

**FURTHER RESOLVED THAT** the designation of Mr. Sunil Chordia be changed to Chairman and Managing Director for the remaining tenure of his appointment i.e. upto 31st March 2021.

**FURTHER RESOLVED THAT** the Board of Directors or a duly constituted Committee thereof including

Nomination and Remuneration Committee be and is hereby authorised to do all such acts, deeds, matters and things as may be required or considered necessary, appropriate, expedient or desirable in regard to the payment of remuneration, as it may in its sole and absolute discretion deem fit to give effect to the aforesaid resolutions.”

#### 10. Adoption of Memorandum of Association as per the provisions of the Companies Act, 2013

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

“**RESOLVED THAT** pursuant to Section 13 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force, and Rules made thereunder and subject to necessary statutory approvals and modifications if any, consent of the members be and is hereby accorded to adopt the new Memorandum of Association in place of the existing Memorandum of Association with no change in existing Clause III A containing the Main Objects sub-clause no. 1 to 2.

**RESOLVED FURTHER THAT** the existing Clause III B containing the “Objects Incidental or Ancillary to the attainment of Main Objects” be and is hereby stands deleted and replaced by New Clause III (B) “Matters which are necessary for furtherance of the Objects specified in Clause III(A)

**RESOLVED FURTHER THAT** the existing Clause III C containing the “Other Objects” be and is hereby also stands deleted in full.

**RESOLVED FURTHER THAT** consent of shareholders of the Company be and is hereby accorded to approve and adopt the aforesaid changes in the Memorandum of Association of the Company and that Mr. Sunil Chordia, Managing Director be and is hereby severally authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or

submission of documents with any other authority, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

#### 11. Adoption of Articles of Association as per the provisions of the Companies Act, 2013

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

“**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting duly initialed by the Chairman for the purpose of identification, be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** Mr. Sunil Chordia, Managing Director be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

By order of the Board of Directors

**Shubham Jain**

Company Secretary  
(ACS: 35317)

Dated: 10th May 2019  
Place: Indore

Registered Office  
‘Rajratan House’  
11/2 Meera Path, Dhenu Market  
Indore – 452003  
Tel: +91 731 2546401  
CIN: L27106MP1988PLC004778  
Website: www.rajratan.co.in  
Email: investor.cell@rajratan.co.in



## NOTES:

### Important dates for members

**ANNUAL GENERAL MEETING:** Annual General Meeting will be held on Monday, 22nd July 2019 at 2.00 p.m. at the registered office the Company at 'Rajartan House' 11/2 Meera Path Dhenu Market, Indore

**RECORD DATE:** Record Date will be 13th July 2019 to determine those Members who will be entitled to receive dividend which will be declared at the Annual General Meeting.

**CUT OFF DATE:** Cut Off Date will be 15th July 2019 to determine the Members entitled to undertake voting electronically on the business and all resolutions set forth in this Notice by remote e-Voting and also by voting at the meeting venue.

**REMOTE ELECTRONIC VOTING PERIOD** will be from 9.00 a.m. on 19th July 2019 to 5.00 p.m. on 21st July 2019, both days inclusive. Remote e-Voting will be blocked after 5.00 p.m. on 21st July 2019.

**1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF/ITSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A proxy, in order to be effective, must be received at the registered office of the Company not less than 48 hours before the commencement of the meeting. A blank proxy form is enclosed. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

A member entitled to attend and vote at this meeting is entitled to participate in the voting process through e-voting, as per the section 108 of the Companies Act, 2013.

2. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 to 11 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are also annexed.

3. A Corporate member intending to send their authorised representative to attend the meeting are requested to send a certified copy of the Board Resolution or a Power of Attorney authorising the representative to attend and vote on their behalf at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 15th July 2019 to Monday, 22nd July 2019 (both days inclusive).
5. The payment of dividend of Rs. 2.00/- per equity share, if declared at the said meeting, will be made to those shareholders whose names shall appear on the Company's Register of Members on 13th July 2019 or to their nominees. In respect of shareholding in dematerialised form, dividend will be paid to the beneficial owners as per details to be furnished by the Depositories for the purpose. Dividend warrants will be dispatched or credit will be given under National Electronic Clearing Services (NECS)/Electronic Clearing Services (ECS) as the case may be, subject to the availability of bank account details etc. as required. Members holding shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, MICR code of the branch, type of account and account number to our Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Pvt. Ltd. for assistance in this regard.
8. Pursuant to Section 107 of the Act read with Rule 20 the Companies (Management and Administration) Rules, 2014, there will not be any voting by show of hands on any of the agenda items at the Meeting and the Company will conduct polling at the meeting.

9. Members wishing to claim dividend that remain unclaimed are requested to correspond with Company's Secretary, at the Registered Office of the Company. Members are requested to note that dividends which are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 124 of the Act, be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act, and the applicable rules.
  10. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
  11. Members are requested to bring their Client ID and DP ID or Folio Numbers, as may be applicable, for easy identification of attendance at the meeting.
  12. Members seeking clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the date of the meeting. This would enable the Company to compile the information and provide the replies at the Meeting.
  13. Members/Proxies are requested to bring the attendance slip along with their copy of the Annual Report to the meeting.
  14. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant provisions of Companies (Management and Administration) Rules, 2014, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company are requested to submit their request with their valid e-mail address to M/s. Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai - 400083 Ph: 022-25946970. Members holding shares in demat form are requested to inform the concerned depository Participants of any change in address, dividend mandate, e-mail etc. Members of the Company, who have registered their email address, are entitled to receive such communication in physical form upon request.
  15. Members may also note that the Notice of the 31st Annual General Meeting and the Annual Report for the financial period ended on 31.03.2019 will also be available on the Company's website [www.rajratan.co.in](http://www.rajratan.co.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Indore for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [investor.cell@rajratan.co.in](mailto:investor.cell@rajratan.co.in)
  16. The Board of Directors has appointed M/s Manju Mundra & Company, Practicing Company Secretaries, Indore (FCS 4431 CP 3454) as Scrutiniser for conducting the voting process in a fair and transparent manner.
  17. The Scrutiniser shall submit his report to the Chairman/ Managing Director, on the voting in favour or against, if any, within a period of two working days from the date of conclusion of the Meeting.
  18. The results declared along with the consolidated Scrutiniser's Report shall be placed on the website of the Company [www.rajratan.co.in](http://www.rajratan.co.in) and simultaneously will be communicated to the Stock Exchange.
  19. The register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
  20. The register of Contracts or Arrangements in which Directors are interested, maintained under section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
  21. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days up to and including the date of the Annual General Meeting of the Company.
  22. The investors may contact the Company Secretary for redressal of their grievances/queries. For this purpose, they may either write to him at the registered office address or e-mail their grievances/queries to the Company Secretary at the following e-mail address: [investor.cell@rajratan.co.in](mailto:investor.cell@rajratan.co.in)
  23. Updation of Member's details - The format of Register of Members prescribed by Ministry of Corporate Affairs, under the Companies Act, 2013 requires the Company/ Registrar and Transfer Agents to record additional of Members, including Permanent Account Number ('PAN'), email address, bank details for payment of dividend etc.
- Members holding shares in physical form are requested to submit the filled form to the Company or its Registrar and Transfer Agents. Members holding shares in

electronic form are requested to submit the details to their respective depository participants.

24. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to Link Intime India Pvt. Ltd. in case the shares are held in physical form.

25. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote
26. Members seeking any information with regard to the accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.
27. The route map showing directions to reach the venue of the 31st AGM is annexed.

## Instructions for shareholders to vote electronically:

### • Log-in to e-Voting website of Link Intime India Private Limited (LI IPL)

- Visit the e-voting system of LI IPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
- Click on "Login" tab, available under 'Shareholders' section.
- Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
- Your User ID details are given below:
  - Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
  - Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
  - Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company
- Your Password details are given below:

If you are using e-Voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For Shareholders holding shares in Demat Form or Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).
	<ul style="list-style-type: none"> <li>Members who have not updated their PAN with depository Participant or in the Company record are requested to use the sequence number which is printed on Ballot Form/Attendance Slip indicated in the PAN Field.</li> </ul>
DOB/DOI	Enter the DOB (Date of Birth)/DOI as recorded with depository participant or in the Company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number as recorded in your demat account or in the Company records for the said demat account or folio number.
	<ul style="list-style-type: none"> <li>Please enter the DOB/DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).</li> </ul>

If you are holding shares in demat form and had registered on to e-Voting system of LI IPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the Company in which they are a shareholder and eligible to vote, provided that the Company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- **Cast your vote electronically**

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/View "Event No" of the Company, you choose to vote.
7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
9. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

**General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian/Mutual Fund/Corporate Body'.

They are also required to upload a scanned certified true copy of the board resolution/authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian/Mutual Fund/Corporate Body' login for the Scrutiniser to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call us :- Tel : 022 - 49186000.



## Explanatory Statement (Pursuant to section 102 of the Companies Act, 2013)

The following Explanatory Statement sets out the material facts relating to the business under items Nos. 4 to 11 of the accompanying notice dated 10th May 2019

### Item No. 4

Pursuant to the provisions of Section 148 of the Companies Act, 2013 ('the Act'), read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to have audit of its cost records conducted by a cost accountant in practice.

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved at their meeting held on 10th May 2019 the appointment of M/s. Sushil Mantri & Associates, Practicing Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ended 31st March 2020.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March 2020. The Board commends the resolution set forth in Item No. 5 for approval of the members.

None of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way, concerned or interested, financially or otherwise in the resolution.

### Item No. 5

Mr. Shiv Singh Mehta (DIN: 00023523) was appointed as Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges. He holds office as Independent Director of the Company up to the conclusion/date of the ensuing Annual General Meeting of the Company ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended re-appointment of Mr. Shiv Singh Mehta as Independent Director for a second term of 3 (three) consecutive years on the Board of the Company.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given background and experience and contributions

made by him during his tenure, the continued association of Mr. Shiv Singh Mehta would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. Accordingly, it is proposed to re-appoint Mr. Shiv Singh Mehta as Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 3 (three) consecutive years on the Board of the Company.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the Company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms.

Mr. Shiv Singh Mehta is not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Director.

The Company has received notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Shiv Singh Mehta for the office of Independent Director of the Company.

The Company has also received declaration from Mr. Shiv Singh Mehta that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mr. Shiv Singh Mehta fulfills the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations. Mr. Shiv Singh Mehta is independent of the management.

Pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, details of Mr. Shiv Singh Mehta are provided in the "Annexure" to the Notice.

Copy of the draft terms and conditions of re-appointment of Mr. Shiv Singh Mehta are available on the Company's website [www.rajratan.co.in](http://www.rajratan.co.in) and also available for inspection by any member at the Registered Office of the Company

between 11.00 a.m. to 3.00 p.m. on working day excluding Saturday(s) and Sunday(s).

Mr. Shiv Singh Mehta is interested in the resolutions set out at Item Nos. 5. The relatives of Mr Shiv Singh Mehta may be deemed to be interested in the respective resolutions to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board commends the Special Resolutions set out at Item Nos. 5, of the Notice for approval by the members.

#### **Item Nos. 6 & 7**

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed that Mr. Rajesh Mittal and Mrs. Aparna Sharma (DIN – 07132341), be appointed as an Independent Director on the Board of the Company. The appointment of Mr. Rajesh Mittal and Mrs. Aparna Sharma shall be effective upon approval by the members in the Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of Mr. Rajesh Mittal and Mrs. Aparna Sharma for the office of Directors of the Company. Mr. Rajesh Mittal and Mrs. Aparna Sharma are not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given their consent to act as Directors. The Company has received a declarations from Mr. Rajesh Mittal and Mrs. Aparna Sharma that they meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The first term of existing independent directors viz. Mr. Shiv Singh Mehta, Mr. Surendra Singh Maru and Mr. Chandra Shekhar Bobra will expire at the ensuing AGM. Further Mr. Surendra Singh Maru and Mr. Chandra Shekhar Bobra has opted not to be re-appointed as independent director for second term due to advancing age and personal reasons.

In the opinion of the Board, Mr. Rajesh Mittal and Mrs. Aparna Sharma fulfill the conditions for their appointment as Independent Directors as specified in the Act and the Listing Regulations. Mr. Rajesh Mittal and Mrs. Aparna Sharma are independent of the management and possess appropriate skills, experience and knowledge.

Details of Mr. Rajesh Mittal and Mrs. Aparna Sharma are provided in the "Annexure" to the Notice pursuant to the

provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of the draft terms and conditions of appointment of Mr. Rajesh Mittal and Mrs. Aparna Sharma, are available on the Company's website [www.rajratan.co.in](http://www.rajratan.co.in) and also available for inspection by any member at the Registered Office of the Company between 11.00 a.m. to 3.00 p.m. on working day excluding Saturday(s) and Sunday(s).

The appointment of Mr. Rajesh Mittal is subject to availability of his Director Identification Number timely.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 and 7 of the Notice. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board commends the Ordinary Resolution set out at Item No. 6 and 7 of the Notice for approval by the members.

#### **Item No. 8**

Mr. Yashovardhan Chordia is proposed to be appointed as Non-Executive and Non Independent Director of the Company. The Company has received at notice under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Mr. Yashovardhan Chordia as Director of the Company.

Details of Mr. Yashovardhan Chordia including his brief profile is provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Mr. Yashovardhan Chordia is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. He holds 268,000 equity shares in the Company.

The appointment of Mr. Yashovardhan Chordia is subject to availability of his Director Identification Number timely.

None of the Directors/Key Managerial Personnel of the Company/their relatives expect Mr Sunil Chordia and Mrs. Sangita Chordia are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

#### **Item No. 9.**

Mr. Sunil Chordia was re-appointed as Managing Director by way of a special resolution passed by the members at the 30th Annual General Meeting of the Company held on 21st July 2018 with effect from 1st April 2018 for a period of three years up to 31st March 2021. The remuneration of Mr. Sunil Chordia was also approved in the same Annual General Meeting including the minimum remuneration to be paid in

case Company has no profits or the profits of the Company are inadequate.

The Managing Director has provided dedicated and meritorious services and significant contribution to the overall growth of the Company. Therefore the Board is of the view that the existing upper limit remuneration in respect of Sunil Chordia, Managing Director of the Company may not be sufficient enough to pay the increased remuneration over a period of his remaining term. As per the effective capital of the Company as on 31.03.2019 the limit of yearly remuneration payable to each director is Rs. 84 Lakhs therefore any payment beyond Rs. 84.00 Lakhs will require sanction of members of the Company by way of Special Resolution in terms of Schedule V read with Section 197 of the Companies Act, 2013.

Further as per newly introduced Regulation 17(6)(e) of SEBI (LODR) (Amendment) Regulations, 2018, the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

- i. the annual remuneration payable to such executive director exceeds Rs. 5 Crore or 2.5 per cent of the net profits of the listed entity calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher; or
- ii. where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity

At present, on the Board of Directors of the Company Mr. Sunil Chordia and Mrs. Sangita Chordia are Executive Directors of the Company. The remuneration being paid to them including the proposed remuneration is in excess of 2.5% of the net profits of the Company, individually and more than 5% of the net profits of the Company in aggregate. This necessitates seeking approval of the shareholders by way of special resolution in order to comply with Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015.

The Board approved the above proposal at their meeting held on 30th March 2019 after considering the valuable contributions of Mr. Sunil Chordia in the growth of the Company and remuneration prevalent for the similar positions in the companies of the like size.

The revised salary structure of Mr Sunil Chordia, Chairman and Managing Director is as under –

Particulars	Mr. Sunil Chordia
Basic Salary	Rs. 8,00,000 per month with Annual increment of Rs. 24,00,000 per annum which will be effective from 1st April of every year.
Benefits, Perquisites and Allowances:	<ol style="list-style-type: none"> <li>i. Leave Travel Allowance: Reimbursement once in a year as per the applicable Rules.</li> <li>ii. Medical Allowance (for self &amp; family): As per the applicable Rules.</li> <li>iii. Gratuity payment: As per statutory law and rules as applicable from time to time.</li> <li>iv. Perquisite - As per the policy of the Company, applicable from time to time.</li> </ol>

In terms of the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, ("Act"), as amended or re-enacted from time to time, read with Schedule V to the Act and Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015 the approval of the members of the Company is being sought to revise/confirm the remuneration of Mr. Sunil Chordia, Managing Director of the Company, accordingly your directors commend to pass the resolution as set out in Item No. 9 as Special resolution.

None of the directors or key managerial person or relatives of directors and KMP except Mr. Sunil Chordia & Mrs. Sangita Chordia (being relative) are concerned or interested in the said resolution, whether financially or otherwise.

**Statement of Information relevant to Mr. Sunil Chordia as required under Section II of Part II of Schedule V of the Companies Act, 2013**

## I. GENERAL INFORMATION

### 1. Nature of Industry

Engineering Industry

### 2. Date or expected date of commencement of commercial production

The Company was incorporated on 9th September 1988 and commenced commercial production in the year 1991.

### 3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable

**4. Financial performance based on given indicators**

Rs. in Lakhs

Particulars	Standalone		Consolidated	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Income from Operations and Other Income	31679.71	22456.51	49458.95	35367.48
Operating Profit (before interest, depreciation and tax)	3621.90	2089.09	5410.12	3822.23
Profit/(Loss) before Tax	2418.89	1331.42	3410.32	2347.18
Profit/(Loss) after Tax	1868.84	879.40	2670.94	1712.97

**5. Foreign investments or collaborations, if any**

The Company has no foreign collaborators and hence there is no equity participation by foreign collaborators in the Company. The Company has made investment in wholly owned subsidiary namely Rajratan Thai Wire Co. Ltd., Thailand.

**II. INFORMATION ABOUT THE APPOINTEE****1. Background details**

Mr Sunil Chordia

Mr Sunil Chordia, founder promoter of Rajratan Global Wire Limited, holds DCMA, MBA (Finance) and BSc. degrees from DAVV, Indore. Mr. Chordia possesses a vast experience of almost three decades in the industry. Under his leadership the Company reported significant growth and emerged as the largest tyre bead wire business in India. His acumen helped the Company consolidate its position in the industry. He leads Rajratan in overall planning, general business, generating strategies and identifying opportunities. Mr. Chordia has been actively associated with Indian business associations like Confederation of Indian Industries, All India Management Association and Steel Wire Manufacturers Association of India etc. in various capacities.

**2. Past remuneration**

Sr. No.	Name of Director	Remuneration including perquisite paid in FY 18-19
1.	Mr. Sunil Chordia	Rs. 78.80 lakhs

**3. Recognition or awards**

Nil

**4. Job profile and his suitability**

As a Managing Director, Mr. Sunil Chordia is entrusted with to perform such duties and exercise such powers as have been or may from time to time be entrusted or conferred upon them him by the Board.

Mr. Sunil Chordia is of proven caliber and skill and are having wide ranging experience in the industry.

Mr. Sunil Chordia shall have all powers and duties as the Board may determine from time to time.

**5. Remuneration proposed**

Details of proposed remuneration have been disclosed in aforesaid points.

**6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)**

Taking into consideration the size of the Company, profile of Mr. Sunil Chordia, responsibility shouldered by him and the industry standard, the remuneration paid is commensurate with the remuneration packages paid to Managerial Personnel in similar other companies.

**7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any**

Besides the remuneration and dividend being received, the Mr. Sunil Chordia does not have any pecuniary relationship with the Company. Mr. Sunil Chordia is related to Mrs. Sangita Chordia as relative. Mr. Sunil Chordia belongs to the Promoter Group. The shareholding of Mr. Chordia is 500959 shares in the share capital of the Company.

**III. OTHER INFORMATION:****1. Reasons for loss or inadequate profits**

At present the Company is earning profits which may be deemed inadequate for the purpose of limits of managerial remuneration.

**2. Steps taken or proposed to be taken for improvement.**

During the year under review, the Company has taken various effective cost control measures which would result in better profitability in the ensuing years.

**3. Expected increase in productivity and profits in measurable terms.**

Barring unforeseen circumstances, the Company's operation should give normal returns in the financial year 2019-20 as compared to Financial Year 2018-19.



#### IV. Disclosures:

Remuneration package of the managerial person: Fully described in the explanatory statement as stated above.

Disclosures in the Board of Directors' report under the heading 'Corporate Governance' included in Annual Report 2018-19: The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report. forming part of the Annual Report of FY 2018-19 of the Company

##### Item No. 10.

The Companies Act, 2013, has prescribed a new format of Memorandum of Association ("MOA") for public companies limited by shares. Accordingly, with a view to align the existing MOA of the Company with Table A of the Schedule I of the Act and in accordance with Section 4 and 13 of the Act, it is proposed to alter the MOA of the Company by merging and retaining the Objects under Clause III (C) – "The Other Objects are" with Clause III (B) – "The Objects Incidental or Ancillary to the attainment of the Main Objects are" to the extent possible and also to rename and renumber the Clause III (A) and III (B) of the Object Clause.

The Board at its meeting held on 10th May 2019 has approved alteration of the MOA of the Company and recommends the Special Resolution set forth in Item No. 10 of the notice for approval of the Members. The proposed draft MOA is being uploaded on the Company's website for perusal by the Members. Further, a copy of the proposed MOA of the Company would be available for inspection for the Members at the Registered Office/Corporate Office of the Company during the office hours on any working day, except Saturdays, Sundays and public holidays, between 11.00 a.m. to 3.00 p.m. till the date of AGM. The aforesaid documents are also available for inspection at the AGM.

The Board recommends the resolution at Item No. 10 for approval of the members as special resolution.

None of the directors and key managerial personnel and their relatives are in any way, financially or otherwise, interested or concerned in this resolution except to the extent of their shareholding in the Company.

##### Item No. 11.

The existing Articles of Association (AOA) are based on the Companies Act, 1956 and several regulations in the

existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Act.

With the coming into force of the Act, several regulations of the existing AOA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to replace wholly the existing AOA by a new set of Articles. The new AOA to be substituted in place of the existing AOA are based on "Table-F" of the Act which sets out the model articles of association for a company limited by shares.

Pursuant to Section 14 of the Act, the consent of the Members by way of Special Resolution is required for alteration of AOA of the Company. The proposed new draft AOA is being uploaded on the Company's website for perusal by the Members. Further, a copy of the proposed set of new AOA of the Company would be available for inspection for the Members at the Registered Office/Corporate Office of the Company during the office hours on any working day, except Saturdays, Sundays and public holidays, between 11.00 a.m. to 3.00 p.m. till the date of AGM. The aforesaid documents are also available for inspection at the AGM.

The Board commends the resolution at Item No. 10 for approval of the members as special resolution.

None of the directors and key managerial personnel and their relatives are in any way, financially or otherwise, interested or concerned in this resolution except to the extent of their shareholding in the Company.

By order of the Board of Directors

**Shubham Jain**

Company Secretary  
(ACS: 35317)

Dated: 10th May 2019  
Place: Indore

Registered Office  
'Rajratan House'  
11/2 Meera Path, Dhenu Market  
Indore – 452003  
Tel: +91 731 2546401  
CIN: L27106MP1988PLC004778  
Website: www.rajratan.co.in  
Email: investor.cell@rajratan.co.in

**Additional information pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard-2 on General Meeting, the brief profile of Directors eligible for re-appointment vide item no. 3, 5 to 9 is as follows**

Nature of information	Item No. 3 of notice	Item No. 5 of notice	Item No. 6 of notice	Item No. 7 of notice	Item No. 8 of notice	Item No. 9 of notice
Name	CA Abhishek Dalmia	Mr. Shiv Singh Mehta	Mr. Rajesh Mittal	Mrs. Aparna Sharma	Mr. Yashovardhan Chordia	Mr. Sunil Chordia
Date of birth	6th May 1969	3rd March 1954	1st November 1964	3rd September 1973	7th August 1989	5th September 1963
Age	50 Years	65 Years	54 Years	45 Years	29 Years	55 Years
Director of Appointment	11.06.2005	10.07.2003	NA	NA	NA	09.09.1988
Educational Qualification	B.Com (Hons), FCA, ACMA	B.E., M.B.A	B.E., ACMA, Professional course in Leadership from Leeds Business School, Leeds, UK	M.A. (Personnel Management & Industrial Relations) B.A. (History, Political Sciences & Economics)	BBA (Finance)	Bsc., DCMA, MBA (Finance)
Experience	40 Years	27 Years	34 Years	23 Years	8 years	30 Years
Expertise in functional areas/ Brief resume	Mr. Abhishek Dalmia is a qualified Chartered Accountant, Cost Accountant and graduate from Shri Ram College of Commerce, Delhi University. He has vast experience in providing strategic directions to the Board and senior management of companies on various business aspects.	Mr. Shiv Singh Mehta is a visionary entrepreneur under whose guidance the company has witnessed continuous growth. Mr. Mehta holds a Bachelor of Engineering and Masters Degree in Business Administration. He is the founder promoter and Managing Director of the Kriti Group. Kriti Group comprises Kriti Industries (I) Ltd, Kriti Nutrient Ltd and Kriti Auto Engineering & Plastics Pvt. Ltd. He has an expertise in finance, marketing, technical and business management.	Mr. Rajesh Mittal holds a Bachelor of Engineer degree. He is a qualified Cost Accountant. Working in different organizations and cross-cultural environments provided him with the ability to deal with intricate issues. He has been instrumental in strategic moves for the companies he has been associated with. Mr. Mittal has a vast experience in multi-disciplinary functions like commercial, international business and corporate planning.	Mrs. Aparna Sharma is a post graduate in Personnel Management & Industrial Relations (PM & IR) from Tata Institute of Social Sciences (TISS), Mumbai. Mrs. Sharma is a seasoned global human resources professional with over 23 years of rich and diverse industry experience across building materials, banking & financial services, pharmaceuticals (including KPO), biotechnology and petrochemicals. The accolades and awards she has received in recent years are a testimony to her professionalism and thought leadership. Her area of expertise lies in strategic HR, change management, leadership development, organizational transformation, talent management, coaching and training.	Mr. Yashovardhan Chordia holds a Bachelor degree in management. His visionary leadership and innate ability to work through complexity and focus on core issues, helped bring about transformational changes in Rajratan Thailand. He has led several strategic initiatives related to project execution and operational excellence. His area of expertise lies in the fields of projects, strategy, planning and business development.	Mr Sunil Chordia, founder promoter of Rajratan Global Wire Limited, holds DCMA, MBA (Finance) and BSc. degrees from DAVV, Indore. Mr. Chordia possesses a vast experience of almost three decades in the industry. Under his leadership the Company reported significant growth and emerged as the largest tyre bead wire business in India. His acumen helped the company consolidate its position in the industry. He leads Rajratan in overall planning, general business, generating strategies and identifying opportunities.
Details of shares held in the Company	NIL	NIL	NIL	NIL	268000	500959
List of Companies in which outside directorship held	1. Ravathi Equipment Ltd. 2. Priyadarshany Agri Farms Pvt. Ltd. 3. Ashiana Housing Ltd. 4. Shogun Organics Limited 5. Renaissance Asset Management Company Pvt. Ltd. 6. AvalokiteshvarValinv Limited 7. Renaissance Stocks Ltd. 8. Renaissance Advanced Consultancy Limited 9. Semac Consultants Pvt. Ltd. 10. AdityaInfotech Limited 11. YPO South Asia Chapter 12. Renaissance Steel India Pvt. Ltd. 13. SWBI Design and Informatics Pvt. Ltd. 14. Akash Educational Services Limited	1. Kriti Nutrients Ltd. 2. Kriti Industries (I) Ltd. 3. Kriti Auto & Engineering Plastics Pvt. Ltd. 4. Sakam Trading P. Ltd. 5. Organization of Plastics Processors of India	NIL	NIL	NIL	1. Rajratan Resources Pvt. Ltd. 2. Rajratan Investments Ltd. 3. Swastika Investmart Limited

Nature of information	Item No. 3 of notice	Item No. 5 of notice	Item No. 6 of notice	Item No. 7 of notice	Item No. 8 of notice	Item No. 9 of notice
Member/ Chairman of Committees of other Companies on which he is a director*	1. Avalokiteshvar Valinv Limited – Shareholder Grievance Committee - Member Share Transfer Committee Corporate Social responsibility Committee - Member 2. Renaissance Advanced Consultancy Limited - Shareholder Grievance Committee - Member Stakeholder Relationship Committee - Member Corporate Social responsibility Committee 3. Ashiana Housing Limited- Nomination and Remuneration Committee - Member Corporate Social responsibility Committee - Member 4. Revathi Equipment Limited – Corporate Social responsibility Committee - Member	1. Kriti Industries India Ltd– Stakeholder Relationship Committee - Member Corporate Social Responsibility Committee - Chairpaerson 2. Kriti Nutrients Ltd. – Stakeholder Relationship Committee - Member	NIL	NIL	NIL	1. Swastika Investmart Limited Audit Committee - Member Stakeholder Relationship Committee – Member Nomination & Remuneration Committee - Member
Relationship with any Director(s) of the Company	NIL	NIL	NIL	NIL	Mr. Yashovardhan Chordia is son of Mr. Sunil Chordia and Mrs. Sangita Chordia	Mr. Sunil Chordia is Spouse of Mrs. Sangita Chordia
Number of board meeting attended during the year	4	4	NA	NA	NA	6
Terms and condition of appointment / re-appointment	Director liable to retire by rotation	Independent Director not liable to retire by rotation.	Independent Director not liable to retire by rotation.	Independent Director not liable to retire by rotation.	Non-executive Director liable to retire by rotation	As per the resolution proposed at Item No. 9 of the Notice of the 31st Annual General Meeting of the Company read together with explanatory statement.
Remuneration to be paid	Sitting Fee for attending the Board and committee Meetings	Sitting Fee for attending the Board and committee Meetings	Sitting Fee for attending the Board and committee Meetings	Sitting Fee for attending the Board and committee Meetings	Sitting Fee for attending the Board and committee Meetings	
Last drawn remuneration	Sitting Fee for attending the Board and committee Meetings	Sitting Fee for attending the Board and committee Meetings	Nil	Nil	Nil	Rs. 78.80 akhs

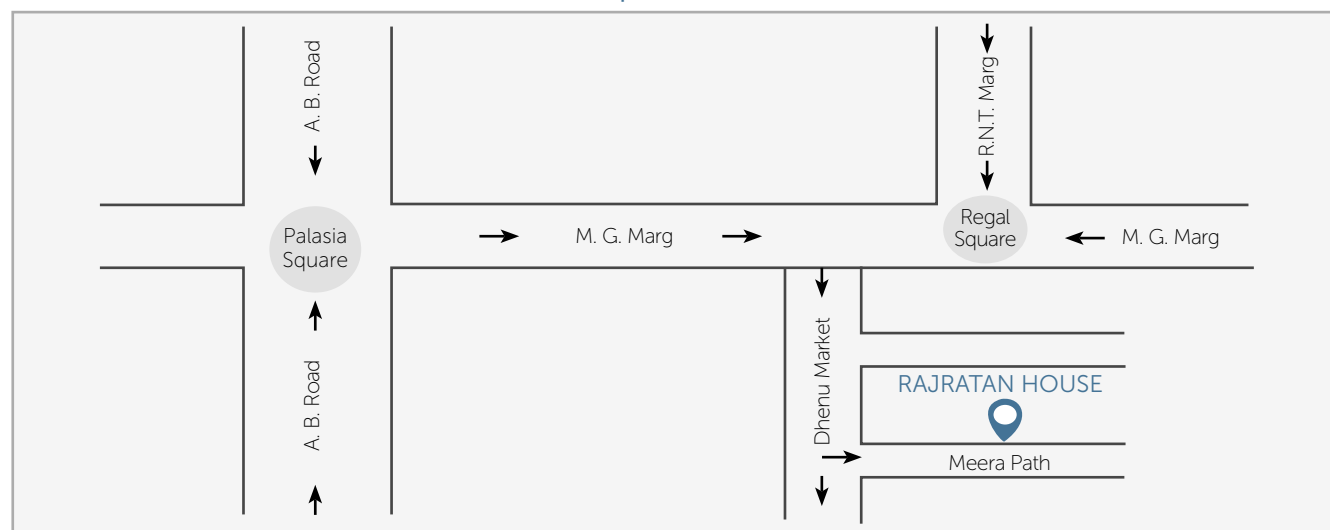
Apart from mentioned above there are no inter-se relationships between other board members.

Details of remuneration provided in the Corporate Governance Report.

Mr. Rajesh Mittal and Mr. Yashovardhan Chordia, who are proposed to be appointed in the AGM have got approved DIN 08483698 and 08488886 respectively.

\* Includes membership/ Chairmanship in Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee.

#### Route Map to the AGM venue



# Directors' Report

## To the members,

Your Directors present the 31st Annual Report on the business and operations of the Company along with the audited standalone and consolidated financial statements for the year ended 31st March 2019.

## 1. Financial Results

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from Operations	31455.76	22256.52	49288.95	34877.29
Other Income	223.95	199.99	170.00	490.19
Profit before Depreciation, Interest & Tax	3621.90	2089.09	5410.12	3822.23
Interest & Financial Charges	812.22	582.45	1080.68	867.30
Profit before Depreciation	2809.68	1506.64	4329.44	2954.93
Less: Depreciation	390.79	341.25	919.12	773.78
Profit before Taxation & Exceptional Items	2418.89	1165.39	3410.32	2181.15
Add: Exceptional Items	0.00	166.03	0.00	166.03
Profit before Taxation	2418.89	1331.42	3410.32	2347.18
Less: Provision for taxation				
-Current Tax	593.93	399.38	593.93	399.38
-Deferred Tax	(43.88)	52.64	145.45	238.68
Income Tax for earlier years				
Profit After Tax	1868.84	879.40	2670.94	1709.12
Less: Minority Interest				
Profit for the year	1868.84	879.40	2670.94	1709.12
Profit/(Loss) from Discontinued Operations		-		2.89
Less: Tax Expenses of Discontinued Operations		-		
-Current Tax		-		
-Deferred Tax		-		(0.96)
Profit/(Loss) from Discontinued Operations		-		3.85
Profit/(Loss) for the period	1868.84	879.40	2670.94	1712.97
Other Comprehensive Income				
(a) Items that will not be reclassified to Profit or Loss	(11.68)	22.12	(11.68)	22.12
(b) Items that will be reclassified to Profit or Loss			154.48	253.97
Total Comprehensive Income for the year	1857.16	901.52	2813.74	1989.06
Total Comprehensive Income attributable to				
Parent Company	1857.16	901.52	2813.74	1987.83
Non Controlling Interest				1.23
Total Comprehensive Income for the year	1857.16	901.52	2813.74	1989.06

## 2. Overview of Company's Financial Performance:

The Company's performance during Financial Year 2018-19 on a standalone and consolidated basis were as follows -

### A. On standalone basis

Your Company's standalone operations reported

an increase of 41.33% to reach Rs. 314.55 crore in FY 2018-19 in comparison to Rs. 222.56 crore in FY 2017-18. EBITDA before exceptional items increased by 73.34%. The Company's net profit before comprehensive income increased from Rs. 8.79 crore in FY 2017-18 to Rs. 18.68 crore in FY 2018-19.



## B. Consolidated revenues

Your Company's consolidated operations reported an increase of 41.32% to reach Rs. 492.88 crore in FY 2018-19 in comparison to Rs. 348.77 crore in FY 2017-18. EBITDA before exceptional items increased by 41.55% as a result of an increase in revenues, customer engagement and cost management. The Company's net profit before comprehensive income increased from Rs. 17.12 crore in FY 2017-18 to Rs. 26.70 crore in FY 2018-19.

## 3. Economic scenario

India retained its position as the sixth largest global economy and the fastest growing trillion-dollar economy. A slowdown in GDP growth to 6.8% due to a liquidity crunch and change in consumer sentiments was marked by a decline in annual inflation to 2.6%, one of the lowest in years. India attracted US\$ 38 billion in foreign inflows in 2018, which was higher than China's US\$ 32 billion. The result is that India is expected to grow at 7.3% in FY 2019-20. The improved economic outlook favours the country's automobile sector, directly benefitting ancillary products like tyres (directly benefitting your Company).

## 4. Prospects and Outlook

Your Company possesses a positive outlook. The imposition of anti-dumping duties on tyres imported from China encouraged the expansion of the tyre sector in India. A number of major international and national players announced capacity expansions. The positive post-effects of GST, pick-up in infrastructure spending and change in customer sentiments post-elections could drive the demand for the automobile sector and your Company.

Your Company recorded significant growth even during a slowdown in the automobile sector. When major players started withdrawing from the market due to the subdued market, your Company increased the production capacity in its Indian and Thailand facilities. These expansions were implemented at modest costs and largely funded through accruals, strengthening competitiveness.

## 5. Dividend

The Board of Directors of your company is pleased to recommend a dividend of Rs. 2.00 per equity share of the face value of Rs. 10/- each (@ 20%), payable to those Shareholder whose names appear in the Register of Members as on the Book Closure/Record Date.

The total dividend appropriation for the current year is Rs. 104.93 Lakhs (inclusive of corporate dividend tax of Rs. 17.89 Lakhs).

## 6. Transfer to Reserves

Consequent to introduction of Companies Act, 2013,

the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit or loss account to the General reserves. The Company proposes to transfer Rs. 600.00 Lakhs to the General Reserve out of the amount available for appropriation.

## 7. Share Capital

There was no change in the paid share capital of the Company during the year ended on 31st March 2019.

## 8. Subsidiary Companies

The Company has only one foreign wholly-owned subsidiary viz. Rajratan Thai Wire Co. Ltd. There was no associate company within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There was no change in the nature of the business of the subsidiaries.

Pursuant to Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company. Pursuant to section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of the subsidiaries, are available on the website of the Company ([www.rajratan.co.in](http://www.rajratan.co.in)). Performance of the Rajratan Thai Wire Co. Ltd, Thailand the WOS of the Company during the year, was below –

Rajratan Thai Wire Co. Limited, Thailand: Rajratan Thai Wire Co. Limited is a fully-owned subsidiary of the Company with its manufacturing facility in Ratchaburi, Thailand, and engaged in manufacturing bead wire.

During the year under review, it recorded an increase of 12.73 % in sales volume to reach 25655 MT compared to 22,756 in the previous year. Net revenues also increased by 31.78 % to reach Rs. 184.37 crore as compared to Rs. 139.90 crore in the previous year. Profit after tax stood at Rs. 9.91 crore compared to Rs. 10.15 crore in the previous year.

## 9. Directors' responsibility statement

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 10. Deposits:

The Company has not accepted any fixed deposit from the public during the financial year ended 31st March 2019 within the meaning of section 73 and 74 of the Companies Act, 2013 read with the relevant rules.

#### 11. Listing:

The shares of the Company are listed on the Bombay Stock Exchange Limited, and the Company is regular in payment of the listing fees. There was no suspension of trading during the year under review.

#### 12. Conservation of Energy, Technology and Foreign Exchange Earnings and outgo

The particulars as prescribed under Section 134(3) (m) of the Companies Act, 2013 read with Companies (Accounts of Companies) Rules, 2014 are set out in an "Annexure-I" to this report.

#### 13. Material changes and commitments occurred, if any, affecting the financial position of the Company, having occurred since the end of the year and till the date of Report

There have been no material changes and commitments, which affect the financial position of the Company, having occurred since the end of the year and till the date of Report.

#### 14. Corporate Social Responsibility

As a part of CSR initiative under the 'Corporate Social Responsibility' drive, the Company has undertaken projects mainly in the areas education, women empowerment, health care, promoting sports. The Company works primarily through its CSR trust, the Rajratan Foundation. The Company's CSR policy is available on our website, at [www.rajratan.co.in/investors/](http://www.rajratan.co.in/investors/). The annual report on our CSR activities is appended as 'Annexure II' to the Board's Report.

#### 15. Directors and key managerial personnel

During the year under review Mr. Rajesh Sharda (DIN – 07054540) resigned from the post of director as well as CEO & Executive Director of the Company due to personal reasons. CA. P. D. Nagar (DIN 00151621) resigned from the Board effective from 1st April 2019 due to advancing age.

The Board places on record its deep appreciation for the services rendered by Mr. Rajesh Sharda and CA. P.D. Nagar during their tenure as members of Board of Directors of the Company.

In accordance with the provisions of section 152 the Companies Act, 2013 and the Articles of Association of the Company CA. Abhishek Dalmia (00011958) shall retire by rotation at the ensuing AGM and being eligible offer themselves for re-appointment.

The brief resume of the Directors and other related information has been detailed in the Notice convening the Annual General Meeting of the Company. Pursuant to the provisions of the Section 149 of the Act the existing independent directors are continuing.

#### 16. Number of meetings of the board

Six meetings of the Board were held during the year. The details of the meetings of the Board of Directors and its committees, convened during the financial year 2018-19 are given in the Corporate Governance Report, which forms part of this Annual Report.

#### 17. Board evaluation

In compliance with the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the performance evaluation of the Independent Directors was carried out during the year under review. More details on the same are given in the Corporate Governance Report.

The performance of the Board was evaluated after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the

Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the Board as a whole was evaluated.

## 18. Board Committees

Your Company has in place the Committee(s) as mandated under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are currently four committees of the Board, namely:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee

Details of the Committees along with their composition and meetings held during the year, are provided in the Corporate Governance Report, which forms part of this report.

## 19. Policy on directors' appointment and remuneration and other details

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of the directors' report as "Annexure-III" and is also available on the website of the Company at [www.rajratan.co.in/investors](http://www.rajratan.co.in/investors).

## 20. Managerial Remuneration and particulars of employees

Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 a disclosure on remuneration related information of employees, Key Managerial Personnel and directors is annexed herewith and forming part of the report as "Annexure-IV." The Managing Director of your Company does not receive remuneration from any of the subsidiaries of your Company.

## 21. Transactions with related parties

During the Financial Year 2018-19, all contracts/arrangements/transactions entered into by your Company with related parties under Section 188(1) of the Act were in the ordinary course of business and at arm's length basis. During the Financial Year 2018-19, your Company has not entered into any contracts/arrangements/transactions with related parties which could be considered 'material'. Thus, there are no transactions required to be reported in form AOC-2. The Board has taken on record all transaction with related parties.

Further, during Financial Year 2018-19, there were no

materially significant related party transactions made by your Company with the Promoters, Directors, Key Managerial Personnel or other designated persons, which might have potential conflict with the interest of the Company at large. All related party transactions are placed before the Audit Committee and approved through the Omnibus mode in accordance with the provisions of the Companies Act, 2013 and Listing Regulations for its approval. The policy on Related Party Transactions is uploaded on the Company's website [www.rajratan.co.in/investors/](http://www.rajratan.co.in/investors/). Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, though not mandatory, is given in "Annexure-V" in Form AOC-2 and the same forms part of this report.

## 22. Extract of annual return

As provided under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of the annual return is given in "Annexure VI" in the prescribed Form MGT-9, which forms part of this report.

## 23. Loans, Guarantees and Investment

The Company has given loans and issued guarantee in favor of its wholly-owned subsidiary viz. Rajratan Thai Wire Co. Limited, Thailand which is exempted under the provisions of section 186 of the Companies Act, 2013 read with Rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014. Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## 24. Auditors:

### a. Statutory Auditors:

M/s D S Mulchandani & Co., Chartered Accountants, Indore (ICAI Firm Registration No. 021781C) are the statutory auditors of the Company for the year ended 31st March 2019.

The ratification of appointment of statutory auditor is not required as per the first proviso of Section 139 (1) by the Companies (Amendment) Act, 2017 effective from 7th May 2018 accordingly the ratification of appointment of Statutory auditor is not proposed.

There is no audit qualification, reservation or adverse remark for the year under review.

### b. Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed

Manju Mundra, Company Secretary in Practice (CP No. 3454) to conduct the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as "Annexure-VII."

The secretarial audit report does not contain any qualification, adverse observations/remarks. The observations made therein, are self explanatory and the Board is taking care of same.

**c. Cost Auditors:**

As per the requirement of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit), Amendment Rules, 2014, your Company is required to get its cost accounting records audited by a Cost Auditor.

The Board of Directors on the recommendation of Audit Committee, has re-appointed M/s Sushil Kumar Mantri & Associates, Practicing Cost Accountants (Firm Registration No. 101049) to conduct the audit of the cost accounting records of the Company for Financial year 2019-20. As required under the Companies Act, 2013 resolution seeking members approval for the remuneration payable to Cost Auditor form part of the notice convening the AGM for their ratification. The Cost Audit Report of the Company for the financial year ended 31st March 2018, was filed with the Ministry of Corporate Affairs, New Delhi.

**d. Internal Auditor**

The Company has M/s Mehta Garg & Agrawal, Chartered Accountants (Firm Registration No 019648C) as Internal Auditors to conduct internal audit of the function and activities of the Company. The Audit Committee of the Board of Directors in consultation with the Internal Auditors, formulate the scope, functioning, periodicity and methodology for conducting the internal audit.

## 25. Internal Control System and their Adequacy, Internal Financial Controls

Your Company's internal control system is commensurate with its scale of operations designed to effectively control the operations. The internal control systems are designed to ensure that the financial and other records are reliable for the preparation of financial statements and for maintaining assets. Independent Internal Auditors conduct audit covering a wide range of operational matters and ensure compliance with specified standards. Planned periodic reviews are carried out by Internal Audit. The findings of Internal Audit are reviewed by the top management and by the Audit Committee of the Board of Directors. The Audit Committee reviews the adequacy and effectiveness of internal control systems and suggests ways of further strengthening them, from time to time.

As per Section 134(5)(e) of the Companies Act, 2013, the Directors have an overall responsibility for ensuring that the Company has implemented robust system and framework of Internal Financial Controls. This provides the Directors with reasonable assurance regarding the adequacy and operating effectiveness of controls with regards to reporting, operational and compliance risks. The Company has devised appropriate

systems and framework including proper delegation of authority, policies and procedures, effective IT systems aligned to business requirements, risk based internal audits, risk management framework and whistle blower mechanism.

## 26. Reporting of Frauds

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Act and the rules made thereunder.

## 27. Risk management

The Company has laid down a well defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor and non-business risks. The Audit Committee and the Board periodically review the risks and suggest steps to be taken to manage/mitigate the same through a properly defined framework. During the year, a risk analysis and assessment was conducted and no major risks were noticed, which may threaten the existence of the Company.

## 28. Disclosure requirements

### a) Corporate Governance:

Your Company is committed to maintain the highest standards of Corporate Governance. Your Directors adhere to the stipulations set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A separate report of the Board of Directors of the Company on Corporate Governance including Management Discussion and Analysis Report is an integral part of the Annual Report and included as Annexure 'VIII' and the Certificate from M/s D S Mulchandani & Co., Chartered Accountants, Indore (ICAI Firm Registration No. 021781C), Statutory Auditors of the Company, confirming compliance with the requirements of Corporate Governance as stipulated in Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 is annexed as Annexure 'IX'.

### b) Familiarization Program for Independent Directors

Your Company has in place a Familiarization Program



for independent Directors to provide insights into the Company's Business to enable them contribute significantly to its success. The Senior Management makes presentations periodically to familiarise the Independent Directors with the strategy operations and functions of the Company. The details of the familiarization program of the independent directors are available on the website of the Company [www.rajratan.co.in/investor/](http://www.rajratan.co.in/investor/).

**c) Dematerialization of Shares**

The shares of your Company are being traded in electronic form and the Company has established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository system, Members are requested to avail the facility of dematerialization of shares with either of the Depositories as aforesaid. As on 31st March 2019, 98.52% of the share capital stands dematerialised.

- d) Policy on determining material subsidiary of the Company is available on the website of the Company [www.rajratan.co.in/investor/](http://www.rajratan.co.in/investor/).
- e) Policy on dealing with related party transactions is available on the website of the Company [www.rajratan.co.in/investor/](http://www.rajratan.co.in/investor/).
- f) The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions are in line with the provisions of the section 177(9) of the Companies Act, 2013 read with regulation 22 of the Listing Regulations.
- g) As required under section 134(q) there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.
- h) The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the Company.
- i) The Company has adopted a Code of Conduct for Prevention of Insider Trading in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and

prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code. The Insider Trading Policy of the Company covering code of practices and procedure for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading is available on the website of the Company at [www.rajratan.co.in/investor/](http://www.rajratan.co.in/investor/).

- j) As required by the Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at the workplace with a mechanism of lodging complaints and has formed required committee. During the year under review, no complaints were reported.
- k) The details of the Committees of Board are provided in the Corporate Governance Report section of this Annual Report.
- l) The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

## 29. Management Discussion and Analysis

A detailed report on Management Discussion and Analysis is provided as a separate section in the Annual Report.

## 30. Cautionary Note:

Certain statements in the "Management Discussion and Analysis" section may be forward looking and are stated as required by the applicable laws and regulations. Many factors may affect the actual results, which could be different from what the directors envisage in terms of future performance and outlook. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, availability of inputs and their prices, changes in the Government policies, regulations, tax laws, economic developments within the country and outside and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of the forward-looking statements, which may undergo changes in future on the basis of subsequent developments, information or events.

### 31. ANNEXURES FORMING A PART OF DIRECTOR'S REPORT

Annexure	Particulars
I	Particulars of Conservation of Energy, Technology and Foreign Exchange
II	Report on Corporate Social Responsibility
III	Policy on Director's appointment & Remuneration
IV	Managerial Remuneration and Particulars of Employees
V	Related Party Transactions
VI	Extract of the Annual Return in Form MGT-9
VII	Secretarial Audit Report
VIII	Corporate Governance Report
IX	Certificate on Corporate Governance Report
X	AOC-1

### 32. Human Resources and Industrial Relations:

Your Company has been able to operate efficiently because of a culture of professionalism, integrity, dedication, competence, commitments, high level of people engagement and continuous improvement shown by its

employees in all functions and areas of business. Our basic objective is to ensure that a robust talent pipeline and a high-performance culture, centered around accountability is in place. We feel this is critical to enable us retain our competitive edge.

During the year measures for training, development, safety of the employees and environmental awareness received top priority of Management. The Directors wish to place on record their appreciation for the efficient and loyal services rendered by all staff and work force of the Company, without whose wholehearted effort, the satisfactory performance would not have been possible.

### 33. Appreciation:

Your Board of Directors would like to convey their sincere appreciation for the wholehearted support and contributions made by all the employees at all levels of the Company for their hard work, solidarity, cooperation and dedication during the year.

Your Directors sincerely convey their appreciation to customers, shareholders, vendors, bankers, business associates, regulatory and government authorities for their continued support.

For and on behalf of the Board

Place: Indore  
Dated: 10th May 2019

**Sunil Chordia**  
*Managing Director*  
DIN - 00144786

**Surendra Singh Maru**  
*Director*  
DIN - 03081191

## Annexure – I

### PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

#### A. Conservation of Energy

- 1) **The steps taken or impact on conservation of energy;**
  - a) Replaced full plant light with LED.
  - b) Use Patenting -2 heat for chiller application to control DH Area humidity
  - c) Used centralised water cooling system with VFD system to reduced power consumption.
  - d) Changed the layout of cable and removed the joints to reduced power losses.
  - e) Reduced the power losses by using two transformer instead of one transformer which run at 50 – 60% efficiency (better efficiency)
  - f) Installation of transparent sheet in the plant to utilise natural light.
  - g) Replaced the wooden panels with insulting puff board panel to reduced power consumption in electrical panel rooms
- 2) **The steps undertaken by the Company for utilising alternate source of energy;** Purchase of solar and wind power as alternative source of energy
- 3) **The capital investment on energy conservation equipments;**
  - a. Capital investment for Energy conservation – Rs. 500 Lakhs.
  - b. Repair maintenance – Rs. 12.00 Lakhs.

#### B. Technology Absorption -

- 1) The efforts made towards technology absorption
  - a) Modified Patenting furnace to increase the capacity from 87MT/day to 100MT/day.
  - b) Use the scrubber in patenting line to reduced acid fumes in the plant.
  - c) Increased the coating line capacity by 5%.
  - d) Modified the cooling system for wire drawing machines to further improve the efficiency of wire drawing.
  - e) Increased the wire drawing capacity from 3600 MT/Month to 4800 MT/Month.
- 2) The benefits derived like product improvement, cost reduction, product development or import substitution

##### Product

- a. Developed the thicker bead wire sizes 5.00 mm, 2.40 mm and 2.50 mm.
- b. Developed the product 2.95 mm and 3.59 mm black wire for aluminum clad which is used in power transmission.
- c. Developed the mattress wire sizes 1.40 1.70, 1.90, 2.00, 2.20 and 2.30 mm.

##### Process

- a. Improved the Ppk of 21 process above 2.
- b. Reduced the acid consumption HCL from 30 kg to 22.3 kg/MT.
- c. Increased the wire drawing efficiency from 83.6% to 85%.

##### Cost Reduction:

- a. Reduced the conversion cost

- 3) **In case of imported technology (imported during the three years reckoned from the beginning of the financial year) –** The Company has not imported any technology during the last three years.

#### RESEARCH AND DEVELOPMENT (R&D)

During the year, your Company has focused more on innovative development of steel wire for various industrial application, primarily in the automobile and engineering sector.

With a proven innovative track record in bead wire manufacturing for leading Tyre OEM's, our industry leading R&D and testing capabilities continue to generate high quality HT wires used in varied applications at low cost to keep us at the leading edge of high performance solutions. Moreover, it is a constant endeavour to enhance range of products to meet the future needs of the evolving market by providing a strong proposition for tyre OEM's & their requirement with overall objective of highest possible efficiency.

At our R&D centre, we are constantly designing and developing new products and processes. **Your Company's R&D Centre is accredited by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India w.e.f. 27/02/19.**

**Specific areas where R&D is carried out by the Company**

1. Development of Rolling quality/flattening quality grade wire for Automotive Industry
2. Designing & development of customised bead wire for leading OEM.
3. The Company has focused on technology development of extra life & high performance solutions to multiple automobile platform.
4. There is a continuing programme to enhance range of products to meet the future needs of the evolving market by providing a strong proposition for customers & aiming to be global player in tyre bead wire.
5. Wire adhesion methods & technology to improve process capability

**Benefits derived as a result of above R&D activity**

1. Cost reduction
2. Life enhancement and increased acceptance of products developed
3. Leading OEM's confidence for futuristic high technology product
4. Customised product, process specifications based on application requirement

**Expenditure on R & D / Product Development (Rs. in Lakhs)**

Particulars	April 18 - Feb 19	March 19	Total
Capital (Excl. CWIP)	4.20	-	4.20
Recurring	77.84	6.62	84.46
<b>TOTAL</b>	<b>82.04</b>	<b>6.62</b>	<b>88.66</b>

Total R & D expenditure as a percentage to total turnover 0.28%

- 4) **The foreign expenditure incurred on Research and Development** - The Company has not incurred foreign expenditure on Research and Development

**C. FOREIGN EXCHANGE EARNING AND OUTGO:**

(Rs. in lakhs)

Particulars	2018-19	2017-18
Foreign Exchange Earned	1010	1717.16
Foreign Exchange Used	3709	1907

For and on behalf of the Board

Place: Indore  
Dated: 10th May 2019

**Sunil Chordia**  
Managing Director  
DIN - 00144786

**Surendra Singh Maru**  
Director  
DIN - 03081191

## Annexure – II

# Annual Report On CSR Activities

1	A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.	CSR initiatives of the Company aim towards inclusive development of communities through a range of social interventions, enhancing skills and building social infrastructure to improve their livelihood. The Company engages with credible institutions, NGOs and other foundations to leverage their expertise in implementing the CSR initiatives.  The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013, which is available on the website of the Company <a href="http://www.rajratan.co.in/investor/">www.rajratan.co.in/investor/</a> .
2	Composition of CSR Committee:	Mr. S S Maru – Chairman (Independent Director)  Mrs. Sangita Chordia - Member (Whole time Director)  Mr. Sunil Chordia – Member (Managing Director)
3	Average net profit of the Company for last three financial years:	Rs. 1334.42 Lakhs
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above):	Rs. 26.69 Lakhs
5	Details of CSR spend for the financial year:	(a) Total amount spent for the financial year: Rs. 29.84 Lakhs (b) Amount unspent, if any: NIL (c) Manner in which the amount spent during the financial year: attached
6	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.	Not Applicable

For and on behalf of the Board

Place: Indore

Dated: 10th May 2019

**Sunil Chordia**  
*Managing Director*  
DIN - 00144786

**Surendra Singh Maru**  
*Director*  
DIN - 03081191



# Annexure to the Corporate Social Responsibility Annual Report

(Rs. in lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or Activity Identified	Sector in which the Project is covered.	Projects or Programs 1. Local area or other 2. Specify the State and District where projects or program was undertaken.	Amount Outlay (Budget)  Project or programs wise.	Amount spent on the projects or programs Sub heads: 1.Direct expenditure on projects or program. 2.Overheads	Cumulative expenditure upto the reporting period.	Amount spent: Direct or through Implementing Agency.
1	Promoting gender equality and empowering women, Measures for reducing inequalities faced by backward groups	Women Empowerment	Local Area, Pithampur Dist Dhar	0.88	Direct Expenditure	0.88	Madhya Pradesh Labour Welfare Board
2	Promoting Education	Promoting Education	Local Area, Pithampur Dist Dhar, Calcutta, Haryana, Indore	10.00	Direct Expenditure	10.00	Rajratan Foundation, Literacy India, Friends of Tribal Society
3	Support to under privileged patients to avail treatment for facial deformities Providing medical services to under privileged	Health Care	Local Area, Pithampur Dist Dhar, Mumbai	8.00	Direct Expenditure	8.00	Rajaratn Foundation, Inga Health Foundation
4	Livelihood enhancement project	Livelihood enhancement project	Local Area, Pithampur Dist Dhar	0.46	Direct Expenditure	0.46	Direct
5	Training to promote nationally recognised sports	Promoting Sports	Local Area, Vidyanagar Township, Toranagallu, Karnataka	5.50	Direct Expenditure	5.50	Inspire Institute of Sport, Zealous Badminton Samiti
6	Contribution to Kerala Flood relief and rehabilitation initiative	Contribution to Kerala Flood relief and rehabilitation initiative0078	Kerala	5.00	Direct Expenditure	5.00	CII Foundation

For and on behalf of the Board

Place: Indore  
Dated: 10th May 2019

**Sunil Chordia**  
Managing Director  
DIN - 00144786

**Surendra Singh Maru**  
Director  
DIN - 03081191

## Annexure – III

# Policy on Directors' Appointment and Remuneration

(including criteria for determining qualification, positive attributes, independence of a Director, policy relating to remuneration for Directors, Key Managerial Personnel and other employees)

The Remuneration policy of your Company is a comprehensive policy which is competitive, in line with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives and the performance of the individuals measured through the annual appraisal process.

### Policy on Directors' Appointment

Policy on Directors' appointment is to follow the criteria as laid down under the Companies Act, 2013, the Listing Regulations and good corporate practices.

### REMUNERATION CRITERIA FOR NON-EXECUTIVE DIRECTORS

1. As per Company's policy the Company doesn't pay any commission or remuneration to its non executive directors.
2. The Company pays sitting fee of Rs. 10,000/- for attending each meeting of Board of directors and meeting of Audit committee.
3. The Company reimburses the actual travelling and lodging expenses to the Non Executive Directors for attending the Board, Committee and members meetings from time to time.
4. Independent directors are being appointed based on the criteria mentioned under section 149(6) of the Companies Act, 2013 and in accordance with other applicable provisions of the companies Act, 2013, rules made thereunder & Listing Regulations..
5. The Company does not provide any ESOP, etc to its directors.

### REMUNERATION CRITERIA FOR THE EXECUTIVE DIRECTORS AND KMP:

1. The Remuneration of the executive directors and Managing Director is determined and approved by the Nomination and Remuneration Committee of the Board, consisting majority of independent directors.
2. The Executive Directors being appointed for a period of 3/5 years at a time.
3. The Company is not paying any sitting fee as well as does not provide any ESOP, etc to its executive directors.
4. The Company is paying remuneration to its Company Secretary, as per the terms of the appointment approved by the Remuneration Committee and they are also entitled for the annual increments based on their performance, evaluated by the Remuneration Committee and Board on annual basis.

For and on behalf of the Board

Place: Indore  
Dated: 10th May 2019

**Sunil Chordia**  
*Managing Director*  
DIN - 00144786

**Surendra Singh Maru**  
*Director*  
DIN - 03081191

## Annexure – IV

Statement pursuant to Section 197(12) of the Companies Act, 2013 and rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Requirements of Rule 5(1)		Details	
i.	the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;	Mr. Sunil Chordia	29.79
		Mr. Rajesh Sharda*	*
		Mrs. Sangita Chordia	24.89
		The median remuneration of the employees of the Company was Rs. 2.66 Lakhs.	
i.	the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the year;	Mr. Sunil Chordia	0%
		Mr. Rajesh Sharda*	*
		Mrs. Sangita Chordia	24.89%
		Mr. Hitesh Jain	13.51%
ii.	The percentage increase in the median remuneration of employees in the financial year	Mr. Shubham Jain	42.11%
		During the financial year, the percentage increase in the median remuneration of employee as compared to previous year was approximately 24.12%	
iii.	The number of permanent employees on the rolls of Company	There were 366 employees as on 31st March 2019.	
iv.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:	The average annual increase in salary/wages of the employees was around 12% (other than managerial personnel), whereas remuneration to managerial personnel increased by 20.13%.	
v.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes	

Figures have been rounded off wherever necessary

\*Mr. Rajesh Sharda stepped down from the Board of the Company w.e.f. 16th June 2018, since the remuneration is only for the part of the year, the ratio to his remuneration to the median remuneration and percentage increase in remuneration is not comparable and hence not stated.

Information as per Section 197 of the Companies Act, 2013 read with the rule 5 (2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31st March 2017.

**Top 10 employees in terms of remuneration drawn during the Financial Year 2018-19**

Sr. No.	Name of employee	Age	Designation of the employee	Remuneration received (Rs. in Lakhs)	Qualification	Date of commencement of employment	Experience	Previous employment
1	Mr. Sunil Chordia	54	Managing Director	78.80	BSC., DCMA, MBA	09-Sep-88	31 Years	-
2	Mr. A.K. Sinha	57	Ass. Vice President – Production	20.90	BE	05-Jan-95	31 Years	M/s Arati Steel Ltd
3	Mrs. Sangita Chordia	53	Whole Time director	16.88	B.Com	05-May-10	9 Years	-
4	Mr. Parag Khanwalkar	51	Dy. General Manager – Marketing	15.57	BSC, MBA	01-Mar-07	31 Years	M/s Vishal Fabricators Pvt Ltd
5	Mr. Manish Dalal	46	Asst. General Manager – Commercial	14.00	BSC, MBA, LLB	19-Jun-96	24 Year	M/s Neo Sack Ltd, Indore
6	Mr. Shailesh Shah	46	Manager – Marketing	10.48	B.Com	01-Aug-95	24 Years	-
7	Mr. Hitesh Jain	42	Chief Financial Officer	10.63	M.Com, LLB	22-Jun-98	23 Years	M/sKuber Group of Companies
8	Mr. Shailendra Singh Kushwah	37	AGM – Project	40.45	BE	18-Mar-06	15 Years	M/s Sonic Biochem Extravion Ltd.
9	Pankaj Dubey	37	AGM – Mechanical Maintenance	9.40	BE	16-May-2005	15 Years	-
10	Mr. Yogesh Kumrawat	40	Manager – Finance	9.47	M.Com, MBA (Finance)	24-Jan-01	18 Years	-

**Notes:**

1. Remuneration shown above includes basic salary, allowances, leave travel allowances, leave encashment, annual reward and Company's contribution to provident fund.
2. There were no employees who are covered under Rule 5(2) (i), (ii) and (iii) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during the year.
3. There were no employees who are covered under Rule 5(3) (viii) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during the year.
4. The nature of employment in all cases is contractual.
5. As per Rule 5(3)(ix) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Sunil Chordia and Mrs. Sangita Chordia are relatives.

## Annexure – V

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis:** Rajratan Global Wire Limited (RGWL) has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during Financial Year 2018-19.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

Name(s) of the related party and nature of relationship:	Nature of contracts / arrangements / transactions:	Duration of the contracts / arrangements / transactions:	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any
Rajratan Thai Wire Co. Ltd., Wholly owned subsidiary	<ul style="list-style-type: none"> <li>• Sale of wire rods and other misc. items.</li> <li>• Purchase of Bead Wire.</li> </ul>	Ongoing	As decided from time to time by the Board.	Not applicable, since the transactions were entered into, in the ordinary course of business and on arm's length basis
Mr. P.D. Nagar, Director	Payment of Consultancy fees	April, 2018 to March, 2019		
Semac Consulting, LLP over which director is able to exercise significant influence	Purchase of Capital Assets	April, 2018 to March, 2019		
Ms. Shubhika Chordia, Relative of Managing Director and Executive Director	Appointment in place of profit	1st July 2018 - Ongoing		

**Note –**

- Appropriate approvals have been taken for related party transactions.
- Advances paid as on 31.03.2019 - NIL.

For and on behalf of the Board

Place: Indore  
Dated: 10th May 2019

**Sunil Chordia**  
Managing Director  
DIN - 00144786

**Surendra Singh Maru**  
Director  
DIN - 03081191



## Annexure – VI

### FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019  
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.

#### I. REGISTRATION & OTHER DETAILS:

1	CIN	L27106MP1988PLC004778
2	Registration Date	09/09/88
3	Name of the Company	Rajratan Global Wire Limited
4	Category/Sub-category of the Company	Company Limited by shares/Indian Non-Government Company
5	Address of the Registered office & contact details	Rajratan House' 11/2 Meera Path Dhenu Market, Indore Madhya Pradesh - 452003
6	Whether listed company	Listed
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Link Intime India Pvt. Ltd. C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Manufacture of Steel Wires	2718	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Rajratan Thai Wire Co. Ltd. 155/11 Moo 4, Tombol Chetsamian Amphor Potharam Ratchaburi – 70120 Thailand	Foreign Company	Subsidiary	100.00%	2(87)

#### IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Dwemat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	15,99,092	-	15,99,092	36.75%	15,99,092	-	15,99,092	36.75%	0.00%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	11,64,301	-	11,64,301	26.75%	11,64,301	-	11,64,301	26.75%	0.00%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	<b>27,63,393</b>	<b>-</b>	<b>27,63,393</b>	<b>63.50%</b>	<b>27,63,393</b>	<b>-</b>	<b>27,63,393</b>	<b>63.50%</b>	<b>0.00%</b>

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Dwemat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
<b>a) NRI Individuals</b>	-	-	-	-	-	-	-	-	
b) Other Individuals	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	
d) Any other	-	-	-	-	-	-	-	-	
<b>Sub Total (A) (2)</b>	-	-	-	-	-	-	-	-	
<b>Total shareholding of Promoter(A) = (A)(1)+(A)(2)</b>	<b>27,63,393</b>	-	<b>27,63,393</b>	<b>63.50%</b>	<b>27,63,393</b>	-	<b>27,63,393</b>	<b>63.50%</b>	<b>0.00%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	3,41,000	-	3,41,000	7.84%	3,41,751	-	3,41,751	7.85%	0.02%
b) Banks / FI	211	-	211	0.00%	211	-	211	0.00%	0.00%
c) Central Govt	18,846	-	18,846	0.43%	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Alternate Investment Funds)	-	-	-	-	8,322	-	8,322	0.19%	0.19%
<b>Sub-total (B)(1):-</b>	<b>3,60,057</b>	-	<b>3,60,057</b>	<b>8.27%</b>	<b>3,50,284</b>	-	<b>3,50,284</b>	<b>8.05%</b>	<b>0.22%</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	2,30,626	400	2,31,026	5.31%	101785	400	1,02,185	2.35%	-2.96%
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	615790	69,635	6,85,425	15.75%	487285	63,935	5,51,220	12.67%	-3.08%
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	252504	-	2,52,504	5.80%	491650	-	4,91,650	11.30%	5.50%
<b>c) Others (specify)</b>									
IEPF	-	-	-	-	20156	-	20156	0.46%	0.46%
Non Resident Indians (Non Repat)	10412	-	10,412	0.24%	2637	-	2,637	0.06%	-0.18%
Non Resident Indians (Repat)	21908	-	21,908	0.50%	11413	-	11413	0.26%	-0.24%
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	7260	-	7,260	0.17%	20669	-	20,669	0.47%	0.31%
Trusts	-	-	-	-	272	-	272	0.01%	0.01%
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
HUF	19815	-	19,815	0.46%	37921	-	37,921	0.87%	0.42%
<b>Sub-total (B)(2):-</b>	<b>11,58,315</b>	<b>70,035</b>	<b>12,28,350</b>	<b>28.23%</b>	<b>11,73,788</b>	<b>64,335</b>	<b>12,38,123</b>	<b>28.45%</b>	<b>0.22%</b>
<b>Total Public Shareholding (B)=(B) (1)+ (B)(2)</b>	<b>15,18,372</b>	<b>70,035</b>	<b>15,88,407</b>	<b>36.50%</b>	<b>15,24,072</b>	<b>64,335</b>	<b>15,88,407</b>	<b>36.50%</b>	<b>0.00%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>42,81,765</b>	<b>70,035</b>	<b>43,51,800</b>	<b>100%</b>	<b>42,87,465</b>	<b>64,335</b>	<b>43,51,800</b>	<b>100%</b>	<b>-</b>

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	RAJRATAN INVESTMENTS LIMITED	782881	17.99%	-	782881	17.99%	-	0.00%
2	SANGITA CHORDIA	580433	13.34%	-	580433	13.34%	-	0.00%
3	SUNIL CHORDIA	500959	11.51%	-	500959	11.51%	-	0.00%
4	RAJRATAN RESOURCES PVT LTD.	381420	8.76%	-	381420	8.76%	-	0.00%
5	YASHOVARDHAN CHORDIA	268000	6.16%	-	268000	6.16%	-	0.00%
6	SUNIL KUMAR CHANDAN MAL HUF	180000	4.14%	-	180000	4.14%	-	0.00%
7	SHUBHIKA CHORDIA	65200	1.50%	-	65200	1.50%	-	0.00%
8	MOHINI CHORDIA	4500	0.10%	-	4500	0.10%	-	0.00%
<b>Total</b>		<b>2763393</b>	<b>63.50%</b>	<b>-</b>	<b>2763393</b>	<b>63.50%</b>	<b>-</b>	<b>0.00%</b>

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Shareholder's Name	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares Of The Company
1	At the beginning of the year	There is no change in promoters' shareholding between 01-04-2018 to 31- 03-2019					
2	Changes during the year						
3	At the end of the year						

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
1	SBI SMALL CAP FUND	321000	7.3763			321000	7.3763
	Transfer			03 Aug, 2018	-1000	320000	7.3533
	Transfer			31 Aug, 2018	-1000	319000	7.3303
	Transfer			28 Dec, 2018	202	319202	7.3349
	Transfer			18 Jan, 2019	9927	329129	7.5631
	Transfer			25 Jan, 2019	12622	341751	7.8531
	AT THE END OF THE YEAR					341751	7.8531
2	VANAJA SUNDAR IYER	0	0			0	0
	Transfer			13 Jul, 2018	12661	12661	0.2909
	Transfer			20 Jul, 2018	14787	27448	0.6307
	Transfer			27 Jul, 2018	21111	48559	1.1158
	Transfer			03 Aug, 2018	19530	68089	1.5646
	Transfer			10 Aug, 2018	4403	72492	1.6658
	Transfer			17 Aug, 2018	16562	89054	2.0464
	Transfer			24 Aug, 2018	5040	94094	2.1622
	Transfer			31 Aug, 2018	6522	100616	2.3121

SN	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
3	Transfer	0	0	07 Sep, 2018	2456	103072	2.3685
	AT THE END OF THE YEAR					103072	2.3685
	KARTHIK SUNDAR					0	0
	Transfer			07 Sep, 2018	20000	20000	0.4596
	Transfer			14 Sep, 2018	11100	31100	0.7146
	Transfer			21 Sep, 2018	6049	37149	0.8536
	Transfer			29 Sep, 2018	1000	38149	0.8766
	Transfer			16 Nov, 2018	3000	41149	0.9456
	Transfer			07 Dec, 2018	596	41745	0.9593
	Transfer			14 Dec, 2018	182	41927	0.9634
	Transfer			15 Mar, 2019	3677	45604	1.0479
	Transfer			22 Mar, 2019	1412	47016	1.0804
	Transfer			29 Mar, 2019	20000	67016	1.54
	AT THE END OF THE YEAR					67016	1.54
4	CHANDRAKANT NAGAR	50200	1.1535			50200	1.1535
	AT THE END OF THE YEAR					50200	1.1535
5	SMIT CAPITAL SERVICES PRIVATE LIMITED	71582	1.6449			71582	1.6449
	Transfer			30 Jun, 2018	-17062	54520	1.2528
	Transfer			06 Jul, 2018	-5000	49520	1.1379
	AT THE END OF THE YEAR					49520	1.1379
6	D SRIMATHI	5613	0.129			5613	0.129
	Transfer			13 Apr, 2018	117	5730	0.1317
	Transfer			20 Apr, 2018	1500	7230	0.1661
	Transfer			27 Apr, 2018	60	7290	0.1675
	Transfer			04 May, 2018	33487	40777	0.937
	Transfer			11 May, 2018	8000	48777	1.1208
	AT THE END OF THE YEAR					48777	1.1208
7	KISHAN GOPAL MOHTA	43920	1.0092			43920	1.0092
	Transfer			25 May, 2018	185	44105	1.0135
	Transfer			01 Jun, 2018	-185	43920	1.0092
	Transfer			13 Jul, 2018	40	43960	1.0102
	Transfer			20 Jul, 2018	47	44007	1.0112
	Transfer			27 Jul, 2018	-87	43920	1.0092
	AT THE END OF THE YEAR					43920	1.0092
8	ABHA SURESH CHORDIA	23236	0.5339			23236	0.5339
	AT THE END OF THE YEAR					23236	0.5339
9	ANJANA S GANDHI	21000	0.4826			21000	0.4826
	AT THE END OF THE YEAR					21000	0.4826
10	MANOJ DUA	30705	0.7056			30705	0.7056
	Transfer			10 Aug, 2018	-794	29911	0.6873
	Transfer			24 Aug, 2018	-5000	24911	0.5724
	Transfer			21 Sep, 2018	-4911	20000	0.4596
	Transfer			29 Sep, 2018	-838	19162	0.4403
	Transfer			21 Dec, 2018	1118	20280	0.466
	Transfer			29 Mar, 2019	411	20691	0.4755
	AT THE END OF THE YEAR					20691	0.4755

SN	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
11	RENAISSANCE ADVANCED CONSULTANCY LIMITED	93040	2.138			93040	2.138
	Transfer			20 Jul, 2018	-16300	76740	1.7634
	Transfer			27 Jul, 2018	-71890	4850	0.1114
	Transfer			03 Aug, 2018	-4850	0	0
	AT THE END OF THE YEAR					0	0
12	SUNDARAM MUTUAL FUND A/C SUNDARAM VALUE FUND - SERIES VII	20000	0.4596			20000	0.4596
	Transfer			06 Jul, 2018	-722	19278	0.443
	Transfer			13 Jul, 2018	-19278	0	0
	AT THE END OF THE YEAR					0	0

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>Mr. Sunil Chordia</b>						
	At the beginning of the year	01.04.2018		5,00,959	11.51%	5,00,959	11.51%
	Changes during the year			-	-	-	-
	At the end of the year	31.03.2019		5,00,959	11.51%	5,00,959	11.51%
2	<b>Mrs. Sangita Chordia</b>						
	At the beginning of the year	01.04.2018		5,80,433	13.34%	5,80,433	13.34%
	Changes during the year						
	At the end of the year	31.03.2019		5,80,433	13.34%	5,80,433	13.34%
3	<b>Mr. P.D. Nagar</b>						
	At the beginning of the year	01.04.2018		1,500	0.03%	1,500	0.03%
	Changes during the year			-	-	-	-
	At the end of the year	31.03.2019		1,500	0.03%	1,500	0.03%

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	809.45	376.21		1,185.66
ii) Interest accrued but not due	0.24	-		0.24
<b>Total (i+ii+iii)</b>	<b>809.69</b>	<b>376.21</b>		<b>1,185.90</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	3,598.17	208.30		3,806.46
* Reduction	583.64	365.00		948.64
<b>Net Change</b>	<b>3,014.53</b>	<b>(156.70)</b>		<b>2,857.83</b>



Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3,807.14	219.51		4,026.65
ii) Interest due but not paid	13.45	-		13.45
iii) Interest accrued but not due	11.82	-		11.82
iv) IND AS Impact	(8.18)	-		(8.18)
<b>Total (i+ii+iii)</b>	<b>3,824.22</b>	<b>219.51</b>		<b>4,043.73</b>

Note - Previous period figures have been regrouped, reworked, wherever necessary.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
	Name	Mr. Sunil Chordia	Mrs. Sangita Chordia	Mr. Rajeesh Sharda*	(Rs. /Lakh)
	Designation	Managing Director	Executive Director	Executive Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	78.80	15.00	13.90	107.70
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.32	0.08	0.08
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify				
5	Others, please specify				
	Company's contribution to the Provident Fund	0.00	1.89	0.59	2.48
	<b>Total (A)</b>	<b>79.20</b>	<b>17.21</b>	<b>14.57</b>	<b>110.98</b>
	Ceiling as per the Act	The Remuneration is being paid as per Schedule V of the Companies Act, 2013.			

\*Stepped down with effect from 16th June 2018

## B. Remuneration to other Directors

SN	Particulars of Remuneration	Name of Directors			Total Amount
	Name	Mr. Shiv Singh Mehta	Mr. Surendra Singh Maru	Mr. Chandrashekhar Bobra	(Rs. /Lakh)
1	Independent Directors				
	Fee for attending board committee meetings	0.40	0.80	0.80	2.00
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	0.40	0.80	0.80	<b>2.00</b>
2	Other Non-Executive Directors	Mr. P.D. Nagar	Mr. Abhishek Dalmia		
	Fee for attending board committee meetings	1.00	0.40	-	1.40
	Commission	-	-	-	-
	Others, please specify -salary	-	-	-	-
	<b>Total (2)</b>	1.00	0.40	-	<b>1.40</b>
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act				

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name	Mr. Rajesh Sharda*	Mr. Hitesh Jain	Mr. Shubham Jain	(Rs. /Lakh)
	<b>Designation</b>	<b>CEO</b>	<b>CFO</b>	<b>CS</b>	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.90	10.12	5.33	29.35
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.08	-	-	0.08
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify				
5	Others, please specify				
	Company's contribution to the Provident Fund	0.59	0.51	0.22	1.32
	Company's contribution to the Superannuation Fund				
	PL encashment				
	Gratuity (at the end of tenure)				
	<b>Total</b>	<b>14.57</b>	<b>10.63</b>	<b>5.55</b>	<b>30.75</b>

\*Stepped down with effect from 16th June 2018

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board

Place: Indore  
Dated: 10th May 2019

**Sunil Chordia**  
*Managing Director*  
DIN - 00144786

**Surendra Singh Maru**  
*Director*  
DIN - 03081191

## Annexure – VII

Form No. MR-3

### SECRETARIAL AUDIT REPORT

For the financial year ended on 31st March 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Rajratan Global Wire Limited**  
"Rajratan House", 11/2 Meera Path  
Dhenu Market,  
Indore

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Rajratan Global Wire Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year commencing from 1st April 2018 and ended on 31st March 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (FDI and ECB not applicable to the Company).

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable during the audit period);
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable during the audit period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable during the audit period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable during the audit period).

- (vi) The management of the Company has informed that there is no Industry specific law which is applicable to the Company. The Company has entered into a tripartite agreement with MP Trading Company Limited (Now MP Power Management Co. Ltd., Jabalpur, M.P.)

and Suzlon Energy Limited for captive consumption of power generated through its windmill at Dewas and in compliance with the terms and conditions of the said agreement.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that the compliance by the Company of applicable financial laws has not been reviewed in this audit since the same have been subject to review by the statutory financial auditor and other designated professionals. The Company has a proper system of compliance of these laws.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

#### OBSERVATIONS:

- a) As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I report under the provisions of the Companies Act and the rules and regulations made thereunder that-
  - (i) The Company has filed eforms with the Registrar of Companies within time except few forms which were delayed due to procedural delay.

#### We further report that

The Board of Directors of the Company is constituted with Executive Directors, Non-Executive Directors and Independent Directors and one third directors are independent directors as per Companies Act, 2013. The Company has no regular chairman and 3 directors are Independent Directors out of 7 directors, not one half of the Board as Independent Directors as referred in LODR. However, in the Board meetings always an Independent

director is elected as chairman so only one third directors are Independent Directors. But as per LODR query received from BSE, one half of the board should be independent directors. One of the Director has resigned in the Board meeting held on 30-03-2019 w.e.f. 1-4-2019 and after that there are only six Directors in the board out of which 3 directors (half of the Board) are Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions were carried through unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committees of the Board, as the case may be. There is no dissenting view of member to capture and record as part of the minutes.

We further report that based on the review of compliance mechanism established by the Company and on the basis of the Compliance Certificates issued and taken on record by the Board of Directors at their meetings, and explanation and representation made by the Company and its Officers, we are of the opinion that the management has adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no instances having a bearing on the Company's affairs and have no other Major issues like

- (i) Public/Right/Preferential issue of shares / debentures/ sweat equity, etc.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

For **Manju Mundra & Co.**

**CS Manju Mundra**

*Proprietor*

FCS No.- 4431

C P No.- 3454

Place : Indore

Date : 10th May 2019

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.



## Annexure – A

To,  
The Members  
Rajratan Global Wire Limited  
"Rajratan House", 11/2 Meera Path  
Dhenu Market,  
Indore

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Manju Mundra & Co.**

**CS Manju Mundra**

*Proprietor*

FCS No.- 4431

C P No.- 3454

Place : Indore  
Date : 10th May 2019

## Annexure – VIII

# Report on Corporate Governance

[Pursuant to Regulation 34(3) and Schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015]

This Corporate Governance Report for the year ended 31st March 2019, forms part of the Directors' Report and the same has been prepared on the basis of the provisions of Clause C of the Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 1. A BRIEF STATEMENT ON LISTED ENTITY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company recognises the importance of good Corporate Governance, which is a tool for building a strong and everlasting beneficial relationship with the customers, suppliers, bankers and more importantly with the investors. The Company believes that its key decisions must serve the underlying goals of enhancing shareholders' value over a sustained period of time, and achieving the definite and measurable performance targets.

## 2. BOARD OF DIRECTORS

### a) Composition of the Board

The Company functions under the supervision and control of the Board of Directors ('the Board'). The Board formulates the overall strategy and periodically reviews the implementation of the same.

The Directors on the Board are from varied fields with wide range of skills and experience. The non-executive directors including Independent Directors bring statutory and wider perspective in the Board's deliberations and decisions. All the Independent Directors of the Company at the time of their first appointment to the Board and thereafter at the first meeting of the Board in every financial year give a declaration that they meet with the criteria of independence as provided under Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Company's policy is to maintain optimum combination of Executive Directors, Non-Executive Directors and Independent Directors. The Composition of the Board of Directors as on 31st March 2019 with their attendance at the Board Meetings held during the year 2018-19 and at the last Annual General Meeting is given below:

DIN	Name of Director	Categories of director	No. of Board Meetings attended	Attendance at last AGM	No. of outside Directorships *	Number of committee positions held in other public companies*	List of Directorship held in Other Listed Companies and Category of Director ship
00144786	Mr. Sunil Chordia	Managing Director	6 of 6	YES	3	2	Swastika Investmart Ltd. – Independent Director
00151621	Mr. P.D. Nagar***	Non Executive	6 of 6	YES	NIL	NIL	NIL
0023523	Mr. S.S. Mehta	Non Executive & Independent	4 of 6	YES	3	2	Kriti Industries India Ltd – Managing Director
0011958	Mr. Abhishek Dalmia	Non Executive	4 of 4	YES	12	NIL	Kriti Nutrients Ltd – Revathi Equipment Limited – Executive Director, Chairperson
0209498	Mr. Chandrashekhar Bobra	Non Executive & Independent	5 of 6	YES	4	2	Ashiana Housing Ltd – Independent Director
00147150	Mrs. Sangita Chordia	Executive Director	5 of 6	NO	2	NIL	Swastika Investmart Limited – Independent Director
03081191	Mr Surendra Singh Maru	Non Executive & Independent	5 of 6	YES	NIL	NIL	NIL
00705450	Mr Rajesh Sharda**	CEO & Executive Director	1 of 6	NA	NIL	NIL	NIL

\*Outside directorships do not include directorships of Section 8 Companies and of companies incorporated outside India. Chairmanships/memberships of board committees shall include only audit committee and stakeholders' relationship committee.

\*\* Stepped down on 16th June 2018.

\*\*\*Mr P.D. Nagar Resigned from Board w.e.f. 1st April, 2019 in the Board Meeting held on 30th March, 2019.

### Skills/Expertise/Competencies of the Board of Directors

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- i. Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks/threats and potential opportunities and knowledge of the industry in which the Company operates
- ii. Entrepreneur, Financial and Management skills
- iii. Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
- iv. Business Strategy, Corporate planning, Sales & Marketing, Corporate Governance and Decision Making
- v. Technical/Professional skills and specialised knowledge in relation to Company's business.

All the Independent Directors fulfill the conditions specified in SEBI (LODR) Regulations and are independent of the management.

During the year under review no independent director has resigned before the expiry of his tenure.

#### b) Board Meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and financial performance of the Company and its subsidiary. The notice of each Board meeting is given in writing to each director and in exceptional cases tabled at the meeting with the approval of the Board. The Agenda along with the relevant notes and other information are sent in advance separately to each Director. All relevant information as required under Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 was placed before the Board from time to time. The Minutes of the Board meetings are also circulated in advance to all Directors and confirmed at subsequent Meeting.

During Financial year 2018-19 the Board met Six times on 10th May 2018, 16th June 2018, 21st July 2018, 31st October 2018, 23rd January 2019 and 30th March 2019.

#### c) Separate Meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 21st July 2018 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the

Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties. The Independent Directors found the performance of Non-Independent Directors (including Chairman) and the Board as well as flow of information between the Management and the Board to be satisfactory. All independent directors were present in the meeting.

#### d) Familiarization Program of Independent Directors

The Company has in place a Familiarization Program for independent Directors to provide insights into the Company's Business to enable them contribute significantly to its success. The Senior Management makes presentations periodically to familiarise the Independent Directors with the strategy operations and functions of the Company. Web link of Familiarization Program for Independent Directors and terms and conditions is <http://www.rajratan.co.in/investors>.

#### e) Evaluation of the Board's Performance

The Board has a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board based on the criteria laid down by Nomination and Remuneration Committee which included attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest, adherence to Code of Conduct and Business ethics, monitoring of regulatory compliance, risk assessment and review of Internal Control Systems etc.

### 3. AUDIT COMMITTEE

Brief description of terms of reference: The Board of Directors has constituted an Audit Committee of Directors. The terms of reference of the Audit Committee includes the matters specified under Part C of Schedule II to Regulation 18 (3) of the Listing Regulations as well as Section 177 of the Companies Act, 2013. The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors including the Cost auditors, the performance of internal auditors and the Company's risk management policies.

The Chairman of the Audit Committee was present at the 30th Annual General Meeting held on 21st July 2018. The Minutes of the Audit Committee Meetings were noted at the Board Meetings.

**Composition, Names of Members and Chairman**

S. No.	Name	Category
1.	Mr. Chandrasekhar Bobra, Chairman	Independent, Non-Executive
2.	Mr. P. D. Nagar	Non-Executive
3.	Mr. S. S. Maru	Independent, Non-Executive

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

**Meetings and attendance during the year**

Four Audit Committee Meetings were held during the financial year under review and the gap between two Meetings did not exceed 120 days. These Meetings were held on 9th May 2018, 20th July 2018, 30th October 2018 and 22nd January 2019. The details of the composition of the Audit Committee and the attendance of the Members at the Audit Committee Meetings are as under:

Name of Director	No. of Meetings attended
Mr. Chandrasekhar Bobra	3 of 4
Mr. S. S. Maru	3 of 4
Mr. P.D. Nagar	4 of 4

**4. NOMINATION AND REMUNERATION COMMITTEE OF DIRECTORS**

Brief description of terms of reference: The Board of Directors has constituted a Nomination and Remuneration Committee. The Board has framed Nomination and Remuneration policy, which is generally in line with the existing industry practice and applicable laws. The policy has been displayed on the Company's website viz., [www.rajatan.co.in/investor/](http://www.rajatan.co.in/investor/). The Nomination and Remuneration Committee assist the Board in overseeing the method, criteria and quantum of compensation for directors and

senior management based on their performance and defined assessment criteria. The Committee formulates the criteria for evaluation of the performance of Independent Directors & the Board of Directors; identifying the persons who are qualified to become directors, and who may be appointed in senior management and recommend to the Board their appointment and removal. The powers, role and terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 as well as section 178 of the Companies Act, 2013.

**Composition, names of members and chairman and meetings attended during the year:**

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

One meeting was held on 23rd January 2019 during the financial year 2018-19 of this committee which was attended by all the members.

Performance evaluation criteria for Independent Directors- The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of directors including Independent Directors.

**5. REMUNERATION TO EXECUTIVE & OTHER DIRECTORS**

There are no pecuniary relationship or transactions entered

into by the Company with any of the Directors of the Company except as disclosed herein below as regards the remuneration including the sitting fees paid to them.

The Non-Executive Directors do not draw any remuneration from the Company except sitting fees, which is paid at the rate of Rs. 10,000/- for each meeting of the Board and the Audit Committee besides professional fees to one director. The Company has not issued any stock options to any of the directors.

The following table gives details of remuneration paid to Executive Directors for the financial year under review:

**Composition, names of members and chairman and meetings attended during the year:**

S. No.	Name and Designation	Tenure of appointment	Remuneration	Perquisites & Allowances
1	Mr. Sunil Chordia Managing Director	01.04.2018 to 31.03.2019	73.80	5.40
2.	Mr. Rajesh Sharda CEO & Executive Director*	01.04.2018 to 16.06.2018	5.37	9.19
3	Mrs. Sangita Chordia Whole Time Director	01.04.2018 to 31.03.2019	15.00	2.21

\* Stepped down w.e.f. 16th June 2018.

The appointment of the Managing Director and Whole-time Director(s) is governed by the Articles of Association of the Company and the Resolutions passed by the Board of Directors and the Members of the Company.

Other service contracts, notice period, severance fees relating to Directors:

Letters of appointment containing terms and conditions including remuneration, were issued to all the Executive Directors. Besides, the Appointment Letters were also issued to all Independent Directors of the Company; a copy of the standard terms and conditions thereof is posted on the website of the Company.

## 6. STAKEHOLDERS RELATIONSHIP COMMITTEE OF DIRECTORS

Name of non-executive director heading the committee:

The Stakeholders' Relationship Committee comprises of Mr. P.D. Nagar, as its Chairman, Mr. S.S. Mehta and Mrs. Sangita Chordia as its Members. The Company Secretary acts as the Secretary to the Committee.

The terms of reference of the Stakeholders' Relationship Committee covers the matters specified under Part D of Schedule II to Regulation 20 (4) of the Listing Regulations as well as under Section 178 of the Companies Act, 2013. The Minutes of the Stakeholders' Relationship Committee Meeting were noted at the Board Meeting. There were 4 meetings held on 10th May 2018, 21st July 2018, 31st October 2018 and 23rd January 2019.

### Composition, names of members and chairman

S. No.	Name	Category	Attendance in meetings
1.	Mr. P.D. Nagar, Chairman	Non-Executive	4 of 4
2.	Mr. S. S. Mehta	Independent, Non-Executive	4 of 4
3.	Mrs. Sangita Chordia	Executive	3 of 4

Name and Designation of Compliance Officer: Mr. Shubham Jain, Company Secretary

Status of the Investors/Shareholders Complaints:

(i) No. of complaints received during the year : 1

(ii) No. of complaints resolved during the year : 1

(iii) No. of complaints pending at the end of the year : Nil

The Company has authorised to implement transfer, transmission and Demat of shares to the Share transfer Agent and to resolve the related problems.

## 7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors has constituted Corporate Social Responsibility Committee of Directors as required under Section 135 of the Companies Act, 2013. The terms of reference of the Corporate Social Responsibility Committee includes the matters specified in the Section 135 of the Companies Act, 2013, Schedule VII to the Act and Rules made thereunder. The Minutes of the Corporate Social Responsibility Committee Meetings were noted at the Board Meetings.

### Composition, names of members and chairman

S. No.	Name	Category
1.	Mr S .S. Maru, Chairman	Independent, Non-Executive
2.	Mrs. Sangita Chordia	Executive
3.	Mr. Sunil Chordia	Managing Director

Four meetings were held on 10th May 2018, 21st July 2018, 31st October 2018 & 7th January 2019 during the financial year 2018-19 of this committee.



## 8. GENERAL BODY MEETING

### a) Location and time, where last three Annual General Meetings held:

S. No.	Year	Date	Time	Venue
1	2016	26th July	02.00 P.m.	"Rajratan House"
2	2017	11th August	02.00 P.m.	11/2, Meera Path, Dhenu
3	2018	21st July	01.00 P.m.	Market, Indore-3, M.P.

### b) Whether any special resolutions passed in the previous three Annual General Meetings:

No special resolution was passed at the Annual General Meeting held on 26th July 2016, one Special Resolution was passed at the Annual General Meeting held on 11th August 2017 and two Special Resolution was passed at the Annual General Meeting held on 21st July 2018.

### c) Whether any special resolution passed last year through postal ballot details of voting pattern: No

### d) No person conducted the postal ballot exercise

### e) Whether any special resolution is proposed to be conducted through postal ballot:

In the forthcoming Annual General Meeting there is no item on the agenda that needs approval through Postal Ballot.

### f) Procedure for postal ballot is not applicable.

## 9. MEANS OF COMMUNICATION

The Quarterly, Half Yearly and Annual Financial Results are communicated to the Bombay Stock Exchange immediately after these are considered and approved by the Board; and thereafter regularly published in the prominent newspapers like Economics Times, Nai Duania, Choutha Sansar. The financial results, shareholding patterns, codes, policies, etc., are also displayed on the Company's website [www.rajratan.co.in](http://www.rajratan.co.in) shortly after its submission to the Stock Exchange. There presentations made to institutional investors or/and to the analysts are submitted to Bombay stock Exchange and are posted on the website of the Company.

## 10. GENERAL SHAREHOLDERS INFORMATION

### a) Date, Day, Time and Venue of the Annual General Meeting

Year	Date	Time	Venue
22nd July 2019	Monday	2.00 PM	"Rajratan House" 11/2, Meera Path, Dhenu Market, Indore-3, M.P.

### b) Financial Year: 1st April 2019 to 31st March 2020

Quarterly Results:

First Quarter - Third Week of July 2019

Second Quarter - Third Week of October 2019

Third Quarter - Third Week of January 2020

Audited results - Third Week of May 2020

c) Dividend Payment Date: The dividend as recommended by the Board of Directors, if declared at the 31st Annual General Meeting will be paid on and from 22nd July 2019.

The Register of Members and Share Transfer Register will remain closed from 15th July 2019 to 22nd July 2019 (both days inclusive) to determine the members entitled to the dividend for 2018-19.

### d) The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s):

The Company is listed on the following Stock Exchange. The Company has paid the listing fees to the BSE Limited.

The BSE Limited,  
P. J. Towers, Dalal Street,  
Mumbai – 400 001

### e) Stock Code

ISIN No. : INE451D01011

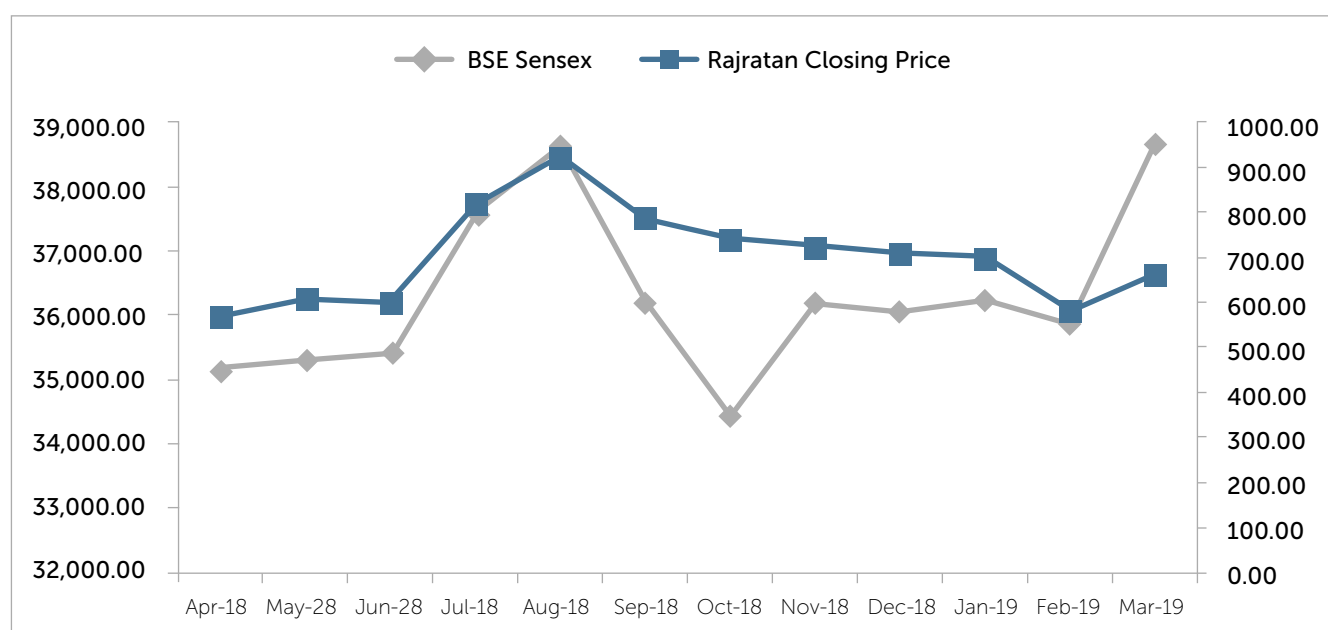
Scrip Code : 517522 (BSE)

f) Stock Market Price Data: Monthly High and Low prices of Equity Shares of the Company quoted at the Stock Exchange, Mumbai during the year 2018-19.

Month	Price per equity share of face value of Rs. 10/-		Month	Price per equity share of face value of Rs. 10/-	
	High	Low		High	Low
April	598.75	503.45	October	830.00	681.30
May	622.50	550.00	November	750.00	660.00
June	611.00	556.00	December	818.00	686.00
July	842.00	572.00	January	749.95	655.00
August	975.35	801.00	February	704.90	570.00
September	1020.00	755.25	March	727.95	576.00

g) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc.:

BSE – Closing Index Vs. Closing Price of Share April 2018 to March 2019.



h) In case the securities are suspended from trading, the Directors' Report shall explain the reason thereof: Not applicable.

#### i) Registrar to an issue and Share Transfer Agent

M/s. Link Intime India Private Limited

C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai - 400083

Ph: 022-25946970, Fax no. 022 - 25946969

Designated email id for investor communication: rnt.helpdesk@linkintime.co.in

#### j) Share Transfer System

The Board has authorised Stakeholder Relationship Committee to approve/authorise matters relating to share transfers/transmission, issue of duplicate shares, etc. At each Board Meeting, the Directors are apprised of the details of transfer/transmission/issue of duplicate shares authorised by the Stakeholder Relationship Committee. The Company has appointed Link Intime India Pvt. Ltd. as Registrar and Share Transfer Agents for physical transfer of securities as well as dematerialization/rematerialization of securities.

**k) Distribution of shareholding –**

Distribution of shareholding as on 31st March, 2019 is as under:

Shareholding of Nominal Value of Rs.	No. of Shareholders	% of Shareholders	No. of Share Held	% of Shareholding
1 - 500	3,423	93.91	2,79,996	6.43
501 - 1000	99	2.72	77,457	1.78
1001 - 2000	45	1.23	68,014	1.56
2001 - 3000	12	0.33	30,281	0.70
3001 - 4000	7	0.19	24,644	0.57
4001 - 5000	10	0.27	46,266	1.06
5001 - 10000	16	0.44	1,11,059	2.55
10001 - ****	33	0.91	37,44,083	85.35
<b>TOTAL</b>	<b>3645</b>	<b>100</b>	<b>43,51,800</b>	<b>100</b>

**Shareholding Pattern :**

Shareholding pattern as on 31st March 2019 is as under:

Distribution of Shareholding according to the categories of shareholders as on 31st March 2019

Categories	No. of Shares	Amount in Rs.	% to total
Promoters	27,63,393	2,76,33,930	63.5
Financial Institutions, Banks	211	2,110	0.005
Mutual Funds, UTI	3,41,751	34,17,510	7.853
Alternate Investment Fund	8,322	83,220	0.191
Central Government / State Government(s)	-	-	-
Foreign Institutional Investors	-	-	-
NRIs / OCBs	14,050	1,40,500	0.323
Other Bodies Corporate	1,02,185	10,21,850	2.348
Public	10,42,870	1,04,28,700	23.964
Others	79,018	7,90,180	1.816
<b>Total</b>	<b>43,51,800</b>	<b>4,35,18,000</b>	<b>100.00</b>

**l) Dematerialization of shares and liquidity:**

The shares of your Company are being traded in electronic form and the Company has established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository system, Members are requested to avail the facility of dematerialization of shares with either of the Depositories as aforesaid. As on 31st March 2019, 98.52% of the share capital stands dematerialised. The equity shares of the Company are traded at BSE Limited.

**Details of Demat Shares as on 31st March 2019**

Particulars	No. of Shareholders	No. of shares	% of Capital
NSDL	1,993	27,85,466	64.01
CDSL	1,271	15,01,999	34.51
Sub-total	3,264	42,87,465	98.52
Shares in physical form	381	64,335	1.48
<b>Grand Total</b>	<b>3,645</b>	<b>43,51,800</b>	<b>100</b>

**m) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:**  
None

**n) Commodity price risk or foreign exchange risk and hedging activities:** The Company follows a conservative and risk-averse approach towards managing its foreign currency exposure. Hence, the Company endeavors to mitigate the risk associated with the exchange rate fluctuation by entering

into a hedging contracts with the Company's Bankers. As of now the Company does not do any hedging in respect of commodities.

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

**p) Address for Correspondence:**

Shareholders should address their correspondence to the

Company's Registrar & Share Transfer Agents at the address as under:

M/s. Link Intime India Private Limited

C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai - 400083

Ph: 022-25946970, Fax no. 022 - 25946969

Designated email id for investor communication: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Shareholders may also contact:

Company Secretary at the Registered Office of the Company for any assistance:

"Rajratan House"

11/2, Meera Path,

Dhenu Market, Indore -3, M. P.

Ph: 0731 - 2546401

Designated email id for investor communication: [investor.cell@rajratan.co.in](mailto:investor.cell@rajratan.co.in)

**q) Credit Ratings** – During the Financial Year CRISIL Limited, has upgraded the rating of company to CRISIL A-/Stable (Assigned) for Long Term Bank Loan facilities from CARE BBB+; Stable (Triple B Plus; Outlook Stable) and CRISIL A2+ (Assigned) for Short-Term Bank Facilities from CARE A3+ (A Three Plus).

## 11. OTHER DISCLOSURES

- a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:

None. There has been no materially significant related party transaction entered into by the Company.

- b) Details of non-compliance by the listed entity, penalties, and strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority on any matter related to capital markets during the last three years:

The Adjudicating Officer of SEBI has levied penalty on the promoters of the Company for alleged violation of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 in the previous years, against which the promoters have preferred an appeal before hon'ble Securities Appellate Tribunal. The Hon'ble Securities Appellate Tribunal vide its order dated 28th May 2018 has allowed the appeal.

- c) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee;

The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior. No person has been denied access to the chairman of the audit committee. The said policy

has been also put up on the website of the Company i.e. [www.rajratan.co.in/investors/](http://www.rajratan.co.in/investors/).

- d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements - The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Adoption of Non-Mandatory Requirements

#### I. The Board

Since the Company does not have a Non-Executive Chairman, it does not maintain such office.

#### II. Shareholder Rights

Half yearly financial results are forwarded to the Stock Exchanges and uploaded on the website of the Company like quarterly results.

#### III. Audit Qualifications

During the year under review, there was no audit qualification in the Auditors' Report on the Company's financial statements.

#### IV. Separate posts of Chairman and CEO

The Company has not appointed any chairman and Mr. Rajesh Sharda has been appointed as the CEO & Executive Director w.e.f. 25th October 2017. Mr Rajesh Sharda has resigned from the post director as well as CEO and Executive Director on 16th June 2018.

#### V. Reporting of Internal Auditor

In accordance with the provisions of the Section 138 of the Companies Act, 2013, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly Internal Audit Reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

- e) Web link where policy for determining 'material' subsidiaries is disclosed – [www.rajratan.co.in/investors/](http://www.rajratan.co.in/investors/)

- f) Web link where policy on dealing with related party transactions - [www.rajratan.co.in/investors/](http://www.rajratan.co.in/investors/)

- g) Disclosure of commodity price risks and commodity hedging activities

The Company does not do any hedging in respect of commodities.

- h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) - None

- i) A certificate from a company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or

continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

M/s Manju Mundra & Company, Company Secretaries, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

- j) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: Provided that the clause shall only apply where recommendation of/submission by the committee is required for the approval of the Board of Directors and shall not apply where prior approval of the relevant committee is required for undertaking any transaction under these Regulations.

None

- k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part -

The details of fees paid to Statutory auditors has been disclosed Notes to Financial Statements (Note No. 38).

- l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: a. number of complaints filed during the financial year b. number of complaints disposed of during the financial year c. number of complaints pending as on end of the financial year

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the said Act. Internal Complaints Committees have been setup to redress Complaints, if any. During the year under review, no Complaint has been received in respect of Sexual Harassment from any of the employees of the Company.

## 12. Disclosures with respect to Demat suspense account/ unclaimed suspense account: Not applicable

13. The disclosure of the compliance with corporate governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 shall be made in the Section on Corporate Governance of the Annual Report.

The Company has complied with all Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-Regulation (2) of Regulation 46.

## 14. Code of Conduct

The members of the board and senior management personnel have affirmed the compliance with the Code applicable to them during the year ended 31st March 2019. The Annual Report of the Company contains a Certificate by the Managing Director based on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management. The said Code is also displayed under the Investor Relations section on the Company's website 'www.rajratn.co.in'.

## 15. Disclosure of Accounting Treatment

The Company has followed the treatment laid down in the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in the preparation of financial statements. There are no audit qualifications in the Company's financial statements for the year under review.

## 16. Reconciliation of share capital audit:

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the national securities depository limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

17. The details about the subsidiary companies of the Company have been provided in the board's report and AOC - 1 forming part of this Annual Report.

For and on behalf of the Board

**Sunil Chordia**  
Managing Director  
DIN - 00144786

**Surendra Singh Maru**  
Director  
DIN - 03081191

Place: Indore  
Dated: 10th May 2019



# Certification of CEO/CFO

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Rajratan Global Wire Limited ("the Company") to the best of our knowledge and belief certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2019 and that to the best of our knowledge and belief, we state that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies
- d. We have indicated to the Auditors and the Audit Committee:
  - i. significant changes, if any, in internal control over financial reporting during the year;
  - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board

Place : Indore  
Date : 10th May 2019

**Mr. Hitesh Jain**  
CFO

---

## DECLARATION

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company – [www.rajratan.co.in](http://www.rajratan.co.in)

Place: Indore  
Date: 10th May 2019

**Sunil Chordia**  
Managing Director  
DIN - 00144786

## Annexure – IX

# Certificate on Corporate Governance

To,  
The Members of  
**Rajratan Global Wire Limited**  
CIN : L27106MP1988PLC004778  
'Rajratan House' 11/2 Meera Path  
Dhenu Market, Indore

We have examined the compliance of conditions of Corporate Governance by M/s. Rajratan Global Wire Limited, Indore for the year ended on 31.03.2019, as stipulated in SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For **D S Mulchandani & Co.**  
*Chartered Accountants*

**CA. Deepak S Mulchandani**  
*Proprietor*  
M. No. 404709  
FRN – 021781C

Place: Indore  
Date: 10th May 2019

## Certificate

Based on our verification of the books, papers, minutes books, forms and returns filed and other records maintained by M/s Rajratan Global Wire Limited, having its registered office at 'Rajratan House' 11/2 Meera Path Dhenu Market, Indore – 452003, M.P. and also the information provided by the Company, its officers, agents and authorised representatives, we hereby report that during the Financial Year ended on 31st March 2019, in our opinion, none of the director on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of Company by the Board/Ministry of Corporate Affairs or any such statutory authority.

**Manju Mundra**

**Manju Mundra & Co.**  
*Company Secretaries*  
M.No. – 4431  
C.P. No. - 3454

Place: Indore  
Date: 10th May 2019

## Annexure – X

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

##### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts Rs. in Lakhs)

Sr. No.	Particulars	Details
2	Name of the subsidiary	Rajratan Thai Wire Co. Ltd.
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April, 2018 to March 2019
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Reporting Currency – Thai Baht Exchange Rate – For Balance sheet Items=1 Thai Baht=Rs. 2.184358 For profit and loss items = Thai Baht = Rs. 2.162791
5	Share capital	5672.12
6	Reserves & surplus	(518.95)
7	Total assets	13588.49
8	Total Liabilities	13588.49
9	Investments	-
10	Turnover	18406.41
11	Profit before taxation	991.42
12	Provision for taxation (Deferred Tax)	189.33
13	Profit after taxation	802.09
14	Proposed Dividend	Nil
15	% of shareholding	100%

#### Notes:

The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations – Nil
- Names of subsidiaries which have been liquidated or sold during the year – Nil

##### Part "B": Associates and Joint Ventures

There are no Associates and Joint Ventures. Hence, it is not applicable

**For D S Mulchandani & Co.**

*Chartered Accountants*

FRN : 021781C

**CA Deepak S Mulchandani**

*Proprietor*

M. Mo. 404709

Place: Indore

Dated: 10th May 2019

For and on behalf of the Board

**Sunil Chordia**

*Managing Director*

DIN - 00144786

**Surendra Singh Maru**

*Director*

DIN - 03081191

# Financial Statements

## Independent Auditor's Report

To,  
The Members of  
M/s. Rajratan Global Wire Limited  
Indore

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the standalone financial statements of Rajratan Global Wire Limited, ("the Company"), which comprise the balance sheet as on 31st March 2019, the statement of profit and loss, including statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year the ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, its profit, changes in equity and in cash flows for the year ended on that date.

#### Basis of Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act,

2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements for the financial year ended 31st March 2019. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Ind AS financial statements.

Key Audit Matters	How our audit addressed the Key Audit Matters
<b>Revenue Recognition</b> (as described in note 2.1(n) of the standalone Ind AS financial statements)	
The management is of the opinion that it controls the goods before transferring them to the customer.	We assessed the Company's process to identify the impact of adoption of new Revenue Accounting Standard (Ind AS 115). Our audit approach included assessment of design and testing of operating effectiveness of internal controls related to revenue recognition, calculation of discounts and rebates and other substantive testing. We carried out:
The variety of terms that define when control are transferred to the customer, as well as the high value of the transactions, give rise to the risk that revenue is not recognized in the appropriate accounting period.	•Evaluation of the design of internal controls relating to implementation of new revenue accounting standard.
Revenue is measured net of returns and allowances, trade discounts and volume rebates (collectively	



Key Audit Matters	How our audit addressed the Key Audit Matters
<p>'discount and rebates'). There is a risk that these discount and rebates are incorrectly recorded as it also requires ascertain degree of estimation, resulting in understatement of the associated expenses and accrual.</p> <p>Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from Contracts with Customers', it was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<ul style="list-style-type: none"> <li>• Selection of samples of both continuing and new contracts for               <ul style="list-style-type: none"> <li>- testing of operating effectiveness of the internal control</li> <li>- identification of contract wise performance obligations and</li> <li>- determination of transaction price.</li> </ul> </li> <li>• Verification of individual sales transaction on sample basis and traced to sales invoices, sales orders and other related documents. Further, the samples were checked for revenue recognition as per the shipping terms.</li> <li>• Sample of sales transactions were selected pre- and post-year end, agreeing the period of revenue recognition to third party support, such as transporter invoice and customer confirmation of receipt of goods.</li> <li>• Direct confirmations were obtained from customers to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.</li> <li>• In the cases where direct confirmations are not available, additional procedures were applied in respect of receipts in the subsequent period.</li> </ul>

We have determined that there are no other key audit matters to communicate in our report.

#### Information Other than the Financial Statements and Auditor's Report Thereupon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report 2018-19, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of standalone Ind AS financial statements, our responsibility is to read the other information and in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibilities for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and

fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that

may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representation received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B" to this report.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,

as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 42 to the financial statements
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **D S Mulchandani & Co.**  
Chartered Accountants  
FRN 021781C

(**CA. Deepak S Mulchandani**)  
Proprietor  
M.No. 404709

Place : Indore  
Dated: 10.05.2019

## Annexure - A to the Auditors' Report

**As referred to in our Independent Auditor's Report of even date to the members of Rajratan Global Wire Limited for the year ended 31st March 2019**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.
- (b) As informed and explained to us, the management, during the year, has physically verified the items of the property, plant and equipment of the Company at reasonable interval and no significant discrepancies were noticed on such physical verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As informed and explained to us the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- (iii) The Company has granted unsecured loans amounting to Rs. 1002.51 Lakhs (Previous Year Rs. 946.86 Lakhs) to Wholly Owned Subsidiary covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act").
- (a) The terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
- (b) The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand.
- (c) Accordingly, paragraph 3(iii)(c) of the Order is not applicable to the Company in respect of repayment of the principal amount.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits under sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance

of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

- (vii) (a) According to the books of accounts and records examined by us as per the generally accepted auditing practices in India, in our opinion, the Company has been regular in depositing undisputed statutory dues. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income tax, Sales Tax,

Customs Duty, Excise Duty, Service Tax, Cess and other material statutory dues which have remained outstanding as at 31st March 2019 for a period of more than six months from the date they became payable.

- (b) There are no disputed dues on account of Custom Duty, Wealth Tax/ Cess that have not been deposited. The disputed dues on account of the Sales Tax, Income Tax, Excise Duty and the Service Tax are as under:-

Particulars	Period	Amount (Rs. In Lakhs)	Forum where the dispute is pending
Income Tax	2014-15	7.93	CIT (A) -II Indore
Income Tax	2015-16	8.15	CIT (A) -II Indore
Central Sales Tax	2011-12	5.07	Appellate Board, Bhopal
Central Sales Tax	2012-13	2.48	Appellate Board, Bhopal
Central Sales Tax	2013-14	7.92	Appellate Board, Bhopal
Central Sales Tax	2015-16	1.81	Before Commercial Tax Officer Villupuram
VAT	2014-15	4.32	Additional CCT(A), Indore
Service Tax	Apr, 14 -Feb, 15 & Mar, 15 -Dec, 15	46.81	Customs, Central Excise & Service Tax Appellate, Tribunal, New Delhi
Excise	2005-06	2.70	CESTAT,Mumbai
Excise	Feb, 10 -Nov, 10 & Dec, 10 -Aug, 11	0.81	CESTAT, New Delhi
Excise	2017-18	6.58	Assistant Commissioner, Pithampur
Excise	Apr, 16 -Jun, 17	2.99	CESTAT, New Delhi

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

- (ix) Paragraph 3(ix) of the Order is not applicable to the Company in respect of initial public offer or further public offer.

- (x) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year under audit.

- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- (xii) In our opinion, the Company is not a chit fund or a Nidhi mutual benefit fund/ society. Therefore, the provisions of clause (xii) of Para 3 of the said order are not applicable to the Company.

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been

disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **D S Mulchandani & Co.**  
Chartered Accountants  
FRN 021781C

**(CA. Deepak S Mulchandani)**

Place :Indore  
Dated:10.05.2019

Proprietor  
M.No. 404709

## Annexure - B to the Auditors' Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Rajratan Global Wire Limited, ("the Company"), as of 31st March 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system

over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **D S Mulchandani & Co.**  
Chartered Accountants  
FRN 021781C

(**CA. Deepak S Mulchandani**)  
Proprietor  
M.No. 404709

Place :Indore  
Dated:10.05.2019

# Balance Sheet as at 31st March 2019

(Rs. in Lakhs)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
<b>I. ASSETS</b>			
<b>1 NON CURRENT ASSETS</b>			
(a) Property Plant and Equipment	3	7,816.43	4,966.54
(b) Capital work-in-progress	4	1,916.38	350.02
(c) Goodwill	5	10.05	10.05
(d) Other Intangible Assets	6	5.96	8.84
(e) Other Intangible Assets under Development	7	3.25	-
(f) Financial Assets			
(i) Investments	8	3,837.61	3,837.61
(ii) Loans	9	1,113.88	1,035.75
(g) Other non- current Assets	10	315.28	7.16
		<b>15,018.84</b>	<b>10,215.97</b>
<b>2 CURRENT ASSETS</b>			
(a) Inventories	11	2,577.82	1,649.79
(b) Financial Assets			
(i) Trade Recievables	12	6,119.47	5,258.52
(ii) Cash and Cash Equivalents	13	10.50	4.51
(iii) Bank Balances other than (ii) above	14	389.18	316.87
(iv) Loans	15	272.42	198.22
(v) Other financial assets	16	3.97	3.81
(c) Other Current Assets	17	149.12	331.59
		<b>9,522.48</b>	<b>7,763.31</b>
<b>TOTAL ASSETS</b>		<b>24,541.32</b>	<b>17,979.28</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	18	435.18	435.18
(b) Other Equity	19	12,437.85	10,659.39
		<b>12,873.03</b>	<b>11,094.57</b>
<b>LIABILITIES</b>			
<b>1 NON CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	20	3,073.99	249.44
(b) Deferred Tax Liabilities (Net)	21	864.91	908.79
		<b>3,938.90</b>	<b>1,158.23</b>
<b>2 CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	22	3,718.78	3,899.77
(ii) Trade Payables	23		
(A) Total Outstanding dues of Micro enterprises & Small enterprises		76.30	1.88
(B) Total Outstanding dues of creditors Other Than Micro enterprises and small enterprises"		2,476.10	993.36
(iii) Other financial liabilities	24	756.26	568.82
(b) Other Current Liabilities (Net)	25	636.41	210.69
(c) Current Tax Liabilities	26	65.53	51.96
		<b>7,729.38</b>	<b>5,726.48</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>24,541.32</b>	<b>17,979.28</b>
Significant Accounting Policies and notes on Financial Statements	1&2		

As per our Audit Report of even dated

For **D S MULCHANDANI & CO**  
CHARTERED ACCOUNTANTS  
FRN: 021781C

(CA. DEEPAK S MULCHANDANI)  
PROPRIETOR  
M. NO. 404709  
INDORE  
Dated: 10th May 2019

FOR AND ON BEHALF OF BOARD

(SURENDRA SINGH MARU)  
DIRECTOR  
DIN:03081191  
(SHUBHAM JAIN)  
COMPANY SECRETARY

(SUNIL CHORDIA)  
MANAGING DIRECTOR  
DIN:00144786  
(HITESH JAIN)  
CHIEF FINANCIAL OFFICER



## Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2019

(Rs. in Lakhs)

Particulars	Note	Year ended 31st March 2019	Year ended 31st March 2018
<b>Revenue</b>			
I Revenue from Operations	27	31,455.76	22,256.52
II Other Income	28	223.95	199.99
<b>III TOTAL (I+II)</b>		<b>31,679.71</b>	<b>22,456.51</b>
<b>IV Expenses</b>			
Cost of materials consumed	29	20,252.17	13,427.62
Purchase of Stock-in-Trade	30	2,032.17	1,093.53
Changes in inventories of finished goods, Stock-in-Trade and Work-in-Progress	31	(645.03)	57.36
Excise Duty on Sales		-	419.68
Employee Benefit Expense	32	1,322.18	1,199.47
Finance Costs	33	812.22	582.45
Depreciation and Amortization Expense	3 & 6	390.79	341.25
Other Expenses	34	5,096.32	4,169.77
<b>TOTAL (IV)</b>		<b>29,260.82</b>	<b>21,291.13</b>
<b>V Profit / (Loss) before exceptional items and tax (III-IV)</b>		<b>2,418.89</b>	<b>1,165.38</b>
<b>VI Exceptional Items (Gain)</b>	36	-	<b>166.03</b>
<b>VII Profit / (Loss) before tax (V+VI)</b>		<b>2,418.89</b>	<b>1,331.41</b>
<b>VIII Tax Expenses Continued Operations</b>			
(1) Current Tax		593.93	399.38
(2) Deferred Tax		(43.88)	52.64
<b>IX Profit / (Loss) for the period from Continuing Operations (VII-VIII)</b>		<b>1,868.84</b>	<b>879.39</b>
<b>X Profit / (Loss) for the period</b>		<b>1,868.84</b>	<b>879.39</b>
<b>XI Other Comprehensive Income</b>	35		
A (i) Items that will not be reclassified to profit or loss			
(a) Gain/(Loss) on fair value of defined benefit plans as per Actuarial Valuation		(11.68)	22.13
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income Tax relating to items that will be reclassified to profit or loss		-	-
<b>XII Total Comprehensive Income for the period (Comprising Profit(Loss) and Other Comprehensive Period for the period (XIII-XIV)</b>		<b>1,857.16</b>	<b>901.52</b>
<b>XIII Earnings per Equity Share</b>			
- Basic		42.94	20.21
- Diluted		42.94	20.21
- Face Value		10.00	10.00
<b>XIV Significant Accounting Policies and Notes on Financial Statements</b>	18 & 2		

As per our Audit Report of even dated

For **D S MULCHANDANI & CO**  
 CHARTERED ACCOUNTANTS  
 FRN: 021781C

(CA. DEEPAK S MULCHANDANI)  
 PROPRIETOR  
 M. NO. 404709  
 INDORE  
 Dated: 10th May 2019

FOR AND ON BEHALF OF BOARD

(SURENDRA SINGH MARU)  
 DIRECTOR  
 DIN:03081191  
 (SHUBHAM JAIN)  
 COMPANY SECRETARY

(SUNIL CHORDIA)  
 MANAGING DIRECTOR  
 DIN:00144786  
 (HITESH JAIN)  
 CHIEF FINANCIAL OFFICER

# Statement of Changes in Equity for the period ended 31st March 2019

## A. Equity Share Capital

Balance at the beginning of reporting period as on 1st April 2017	Changes in Equity share capital during the year 2017-18	Balance at the end of reporting period as on 31st March 2018	Changes in Equity share capital during the year 2018-19	Balance at the end of reporting period as on 31st March 2019
435.18	-	435.18	-	435.18

(Rs. in Lakhs)

## B. Other Equity

Particulars	Reserves and Surplus			Revaluation Surplus	Total
	Securities Premium Reserve	Retained Earnings	General Reserve		
<b>AS on 31st March 2018</b>					
Balance at the beginning of reporting period as on 1st April 2017	839.85	3,609.30	4,975.00	412.29	9,836.44
Restated balance at the beginning of reporting period 1st April 2017	839.85	3,609.30	4,975.00	412.29	9,836.44
Profit for the period 2017-18	-	879.39	-	-	879.39
Other Comprehensive Income for the period 2017-18	-	22.13	-	-	22.13
Dividends	-	(78.57)	-	-	(78.57)
Transferred to General Reserve	-	(600.00)	600.00	-	-
<b>Balance at the end of reporting period as on 31st March 2018</b>	<b>839.85</b>	<b>3,832.25</b>	<b>5,575.00</b>	<b>412.29</b>	<b>10,659.39</b>

(Rs. in Lakhs)

## B. Other Equity

Particulars	Reserves and Surplus			Revaluation Surplus	Total
	Securities Premium Reserve	Retained Earnings	General Reserve		
<b>AS on 31st March 2019</b>					
Balance at the beginning of reporting period as on 1st April 2018	839.85	3,832.25	5,575.00	412.29	10,659.39
Restated balance at the beginning of reporting period 1st April 2018	839.85	3,832.25	5,575.00	412.29	10,659.39
Profit for the period 2018-19	-	1,868.84	-	-	1,868.84
Other Comprehensive Income for the period 2018-19	-	(11.68)	-	-	(11.68)
Dividends	-	(78.69)	-	-	(78.69)
Transferred to General Reserve	-	(600.00)	600.00	-	-
<b>Balance at the end of reporting period as on 31st March 2019</b>	<b>839.85</b>	<b>5,010.71</b>	<b>6,175.00</b>	<b>412.29</b>	<b>12,437.85</b>

(Rs. in Lakhs)

## C. Purpose of Each Reserve within Equity

### 1 Securities Premium

1 Where a company issues shares at a premium, whether for cash or otherwise, assume equal to the aggregate amount of the premium received on those shares shall be transferred to a "Securities Premium Account"

### 2 General Reserve

The General Reserves are the retained earnings of a company which are kept aside out of company's profits to meet future (known or unknown) obligations. Earlier, it was mandatory to transfer the amount to General Reserve before declaration of dividend.

### 3 Revaluation Reserve

Revaluation Reserve is the amount ascertained due to a revaluation performed on an asset and kept it as a separate reserve.

## Cash Flow Statement For The Year Ended 31st March 2019

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019		Year ended 31st March 2018	
<b>A. Cash Flow from Operating Activities</b>				
Net Profit / (Loss) before tax as per Statement of Profit and Loss		2418.89		1,331.42
Adjustments for:				
Depreciation /Amortisation Expenses	390.79		341.25	
(Profit)/Loss on Sales/Discard of Assets (Net)	(2.56)		8.42	
Dividend Income	-		(0.00)	
Finance Cost	812.22		582.46	
Net Gain on Investments	-		(166.03)	
Remeasurement of defined Benefit Plans	(11.68)		22.13	
		1188.77		788.23
<b>Operating Profit before Working Capital Changes</b>		<b>3607.66</b>		<b>2,119.64</b>
Adjustments for:				
(Increase)/Decrease in Trade and Other Receivables	(752.84)		24.75	
(Increase)/Decrease in Financial Assets & Other Non Current Assets	(386.25)		90.05	
(Increase)/Decrease in Inventories	(928.03)		(381.40)	
Increase/(Decrease) in Working Capital Limits	(180.99)		(319.55)	
Increase/(Decrease) in Trade and Others Payables	2170.33		684.15	
		(77.78)		98.00
<b>Net Cash generated from / (used) in Operating Activities</b>		<b>3529.88</b>		<b>2,217.64</b>
Taxes (Paid) / Refund (net)		(580.37)		(443.49)
<b>Net Cash generated from / (used) in Operating Activities</b>		<b>2949.52</b>		<b>1,774.15</b>
<b>B. Cash Flow from Investing Activities</b>				
Purchase of Tangible and Intangible Assets	(4,820.59)		(706.60)	
Disposal of Investment in Subsidiary	-		221.00	
Dividend Income	-		0.00	
Sale Proceeds from disposal of Tangible and Intangible Assets	15.73		5.95	
<b>Net Cash generated from / (used in) Investing Activities</b>		<b>(4,804.86)</b>		<b>(479.65)</b>
<b>C. Cash Flow from Financing Activities</b>				
Proceeds from Long Term Borrowings	2824.55		(543.99)	
Dividend Paid	(65.28)		(65.28)	
Dividend Tax Paid	(13.42)		(13.29)	
Finance Cost	(812.22)		(582.46)	
<b>Net Cash generated from / (used in) Financing Activities</b>		1933.63		(1,205.02)
<b>Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)</b>		78.29		89.48
<b>Opening Balance of Cash and Cash Equivalents</b>		321.38		231.90
<b>Closing Balance of Cash and Cash Equivalents</b>		399.67		321.38
<b>Net increase / (decrease) in Cash and Cash Equivalents</b>		<b>78.29</b>		<b>89.48</b>

Previous year figures have been regrouped / reclassified / rearranged wherever necessary to make them comparable to those for the current year.

As per our Audit Report of even dated

For **D S MULCHANDANI & CO**  
CHARTERED ACCOUNTANTS  
FRN: 021781C

(CA. DEEPAK S MULCHANDANI)  
PROPRIETOR  
M. NO. 404709  
INDORE  
Dated: 10th May 2019

FOR AND ON BEHALF OF BOARD

(SURENDRA SINGH MARU)  
DIRECTOR  
DIN:03081191  
(SHUBHAM JAIN)  
COMPANY SECRETARY

(SUNIL CHORDIA)  
MANAGING DIRECTOR  
DIN:00144786  
(HITESH JAIN)  
CHIEF FINANCIAL OFFICER

## Notes of the Financial Statements for the year ended 31st March 2019

### 1. CORPORATE INFORMATION

- (a) Rajratan Global Wire Limited (the Company) alongwith its wholly owned subsidiary, M/s Rajratan Thai Wire Company Limited, is engaged in the business of manufacturing and sale of Tyre Bead Wire. The Company has a windmill located in India for generation of electricity, which is not considered as a separate reportable segment.

### (b) BASIS OF PREPARATION AND PRESENTATION

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:-

- Certain financial assets and liabilities (including derivative instruments) and
- Defined benefit plans - plan assets

The financial statements of the Company have been prepared to comply with the Indian Accounting Standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Company's financial statements are presented in Indian Rupees (INR), which is also its functional currency.

### 2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Property, Plant and Equipment (PPE)

- i) Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.
- ii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. In the carrying amount of an item of PPE, the cost of replacing the part of such an item is recognized when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition principles.
- iii) Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.
- iv) Depreciation on property, plant and equipment is provided using straight line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 . Each part of an item of Property, Plant & Equipment with a cost that is significant in relation to total cost of the Machine is depreciated separately, if its useful life is different than the life of the Machine.
- v) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- vi) Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.
- vii) Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "Stores & Spares" forming part of the inventory.

#### b) Leases

- i) Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
- ii) Leased assets: Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.
- iii) Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised

## Notes of the Financial Statements for the year ended 31st March 2019

immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

- iv) A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.
- v) Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

### c) Intangible assets

- i) Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.
- ii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.
- iii) Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised

### d) Goodwill

The business combination of the entities under common control is accounted as per Appendix C of Indian Accounting Standards (IND AS 103)- Business Combinations. Goodwill represents the amount of difference between consideration and the value of net identifiable assets (adjusted for credit balance in revaluation reserves) acquired.

### e) Capital Work in Progress

- i) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress. Such costs comprises purchase price of asset including import duties and non-refundable taxes after deducting trade discounts and rebates and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- ii) Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under "Capital Works in Progress" and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects.
- iii) Capital expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is capitalized and carried under "Capital Work in Progress" and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant & Equipment". Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit and Loss.

### f) Research and Development Expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.

## Notes of the Financial Statements for the year ended 31st March 2019

### g) Finance Cost

- i) Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.
- ii) Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.
- iii) All other borrowing costs are expensed in the period in which they occur.

### h) Inventories

- i) Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.
- ii) The cost formulas used are Weighted Average Cost in case of raw material and First in First Out (FIFO) Method in case of Ancilliary Raw Material, Stores and Spares, Packing Materials, Trading and other products.

### i) Impairment of non-financial assets - property, plant and equipment and intangible assets

- i) The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs. The goodwill on business combinations is tested for impairment annually.
- ii) An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.
- iii) The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### j) Provisions, Contingent Liabilities & Contingent Assets and Commitments

- i) Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.
- ii) If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
- iii) Contingent liabilities are disclosed on the basis of judgment of management. These are reviewed at each balance sheet date are adjusted to reflect the current management estimate.
- iv) Contingent assets are not recognized but are disclosed in the financial statements when inflow of economic benefits is probable.

### k) Income Taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.



## Notes of the Financial Statements for the year ended 31st March 2019

### i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

### ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

### l) Foreign Currency Transactions

- i) Transactions in foreign currencies are initially recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.
- ii) Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.
- iii) Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

### m) Employee Benefits Expense

#### Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

#### Post-Employment Benefits

##### Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

##### **Defined Benefits Plans**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @ 15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective IT authorities.

## Notes of the Financial Statements for the year ended 31st March 2019

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

### Employee Separation Costs

Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is payable in the year of exercise of option by the employee. The Company recognises the employee separation cost when the scheme is announced and the Company is demonstrably committed to it.

## n) Revenue Recognition

### Sale of Goods

The Company derives revenues primarily from sale of Tyre Bead Wire and other products.

For sale of goods, revenue is recognised when control of the goods has been transferred at a point in time i.e. when the goods have been delivered to the specific location (delivery). Following delivery, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

The Company provides retrospective volume rebates and pricing incentives to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from operations includes sale of goods, services, service tax, excise duty and adjusted for discounts (net), and gain/ loss on corresponding hedge contracts.

As per the provisions of Ind AS 115 revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.2 (a) and there is no material impact of adoption of Ind AS 115 on financial statements.

Revenue from exports benefits measured at the fair value of consideration received or receivable net of returns and allowances, cash discounts, trade discounts and volume rebates.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

### Interest Income

Interest income from a financial asset is recognised using effective interest rate (EIR) method.

### Dividends

Revenue is recognised when the Company's right to receive the payment has been established, which is generally when shareholders approve the dividend.

## Notes of the Financial Statements for the year ended 31st March 2019

### Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted to the extent that there is no uncertainty in receiving the claims.

### Other Operating Income

Export incentives receivable are accounted for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds.

### Contract Balances

#### Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (o) Financial instruments – initial recognition and subsequent measurement.

#### Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Costs to fulfil a contract i.e. freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognised.

## o) Financial Instruments

### i) Financial Assets

#### A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

#### B. Subsequent measurement

##### Financial assets carried at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial assets at fair value through profit or loss (FVTPL)

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL.

#### C. Investment in Subsidiaries, Associates and Joint Ventures

The Company has elected to measure investment in subsidiaries, joint venture and associate at cost. On the date of transition, the carrying amount has been considered as deemed cost.

Investment in Equity shares & Mutual Funds etc., are classified at fair value through the statement of profit and loss.

## Notes of the Financial Statements for the year ended 31st March 2019

### D. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

### E. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date);
- or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

## ii) Financial Liabilities

### A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

### B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### Derivative financial instruments and Hedge Accounting

The Company uses various derivative financial instruments such as interest rate swaps, currency swaps, forwards & options and commodity contracts to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

### C. Hedges that meet the criteria for hedge accounting are accounted for as follows:

#### a) Cash Flow Hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging

## Notes of the Financial Statements for the year ended 31st March 2019

relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

### b) Fair Value Hedge

The Company designates derivative contracts or non derivative financial assets/liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

### D. Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### p) Operating Cycle

The Company presents assets and liabilities in the balance sheet based on current/non-current classification based on its operating cycle. The Company has identified twelve months as its operating cycle.

#### A An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

#### B A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### q) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a right issue to existing shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## Notes of the Financial Statements for the year ended 31st March 2019

### r) Dividend Distribution

Dividend distribution to the shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

### s) Statement of Cash Flows

#### i) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### ii) Statement of Cash Flows is prepared in accordance with the Indirect Method prescribed in the Indian Accounting Standard-7 "Statement of Cash Flows".

## 2.2 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### a) Revenue Recognition

The Company's contracts with customers include promises to transfer goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as schemes, incentives, cash discounts, etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Estimates of rebates and discounts are sensitive to changes in circumstances and the Company's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future.

Costs to obtain a contract are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

### b) Depreciation/amortisation and useful lives of property plant and equipment/intangible assets

Property, plant and equipment/intangible assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

### c) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.



## Notes of the Financial Statements for the year ended 31st March 2019

### d) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

### e) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

### f) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

## Notes of the Financial Statements for the year ended 31st March 2019

### 3. Property, Plant and Equipment as at 31st March 2018

(Rs. in Lakhs)

Particulars	Gross Block (at cost)		As at 31st March 2018	Depreciation / Amortisation		Net Block	
	As at 1st April 2017	Additions during the year		Upto 31st March 2017	For the year 2018	Up to 31st March 2018	As at 31st March 2017
a) Land							
A) Owned Assets							
a) Free Hold Land	433.35	-	433.35	-	-	433.35	433.35
B) Leased Assets							
a) Lease Hold Land	287.58	-	287.58	2.93	12.59	272.06	284.65
b) Building	542.09	8.08	550.17	29.38	30.31	490.48	512.71
c) Plant and Equipment	3,760.01	382.04	4,075.02	208.95	269.54	3,649.47	3,551.06
d) Furniture and Fixtures	35.61	2.57	38.19	8.65	3.87	25.66	26.96
e) Vehicles	74.60	19.38	88.01	12.60	13.89	67.19	62.00
f) Office Equipment	33.85	13.82	47.67	8.55	10.80	28.33	25.30
<b>TOTAL</b>	<b>5,167.09</b>	<b>425.89</b>	<b>5,519.99</b>	<b>271.06</b>	<b>341.01</b>	<b>4,966.54</b>	<b>4,896.04</b>

### 4. Capital Work In Progress

	70.90	681.92	402.80	-	-	350.02	70.90
<b>TOTAL</b>	<b>70.90</b>	<b>681.92</b>	<b>402.80</b>	<b>-</b>	<b>-</b>	<b>350.02</b>	<b>70.90</b>

### 5. Goodwill

Computer Software	10.05	-	-	-	-	10.05	10.05
On Merger of Cee Cee Engineering Industries Pvt. Ltd. (See Note No. 43)							

### 6. Other Intangible Assets

Computer Software	-	9.08	-	-	0.24	8.84	-
-------------------	---	------	---	---	------	------	---

### 7. Intangible Assets Under Development

ERP Software	7.50	1.58	9.08	-			7.50
<b>TOTAL</b>	<b>7.50</b>	<b>1.58</b>	<b>9.08</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.50</b>

## Notes of the Financial Statements for the year ended 31st March 2019

### 3. Property, Plant and Equipment as at 31st March 2019

Particulars	Gross Block (at cost)			As at 31st March 2019	Depreciation / Amortisation		Net Block	
	As at 1st April 2018	Additions during the year	Deductions		Upto 31st March 2018	For the year	Up to 31st March 2019	As at 31st March 2018
(Rs. in Lakhs)								
a) Land								
A) Owned Assets								
a) Free Hold Land	433.35	273.13	-	706.48	-	-	-	433.35
B) Leased Assets		-	-		-	-		
a) Lease Hold Land	287.58	4.18	-	291.75	15.52	4.49	20.01	271.74
b) Building	550.17	1,426.89	-	1,977.06	59.70	35.31	95.01	1,882.06
c) Plant and Equipment	4,075.02	1,440.94	14.11	5,501.85	425.55	309.93	734.04	4,767.81
d) Furniture and Fixtures	38.19	4.87	-	43.06	12.52	3.55	16.07	26.99
e) Vehicles	88.01	89.90	0.49	177.42	20.82	21.52	42.34	135.08
f) Office Equipment	47.67	11.07	-	58.73	19.34	13.11	32.45	26.28
TOTAL	5,519.99	3,250.98	14.60	8,756.36	553.45	387.92	939.92	7,816.43
4. Capital Work In Progress	350.02	3,000.28	1,433.92	1,916.38	-	-	-	350.02
TOTAL	350.02	3,000.28	1,433.92	1,916.38	-	-	-	350.02
5. Goodwill								
Computer Software	10.05	-	-	10.05	-	-	-	10.05
On Merger of Cee Cee Engineering Industries Pvt. Ltd. (See Note No. 413)								
6. Other Intangible Assets								
Computer Software	9.08	-	-	9.08	0.24	2.87	3.11	5.96
7. Intangible Assets Under Development								
ERP Software	-	3.25	-	3.25	-	-	-	3.25
TOTAL	-	3.25	-	3.25	-	-	-	-

(Rs. in Lakhs)		
Net Book Value Table	March 31, 2019	March 31, 2018
Property, Plant and equipment	7,816.43	4,966.54
Capital Work in Progress	1,916.38	350.02
Assets Classified as held for sale		

## Notes of the Financial Statements for the year ended 31st March 2019

- Property, plant and equipment are subject to charge to secure the Company's borrowings as discussed in Note 20
- The amount of borrowing cost capitalised during the year ended 31st March 2019 was INR 91.25 Lakhs (for the year 31st March 2018: INR 4.88 Lakhs) on account of capacity expansion of plant
- The amount of expenditures recognised in the carrying amount of property, plant and equipment in the course of its construction is Rs. 94.62 Lakhs (Previous Year NIL)
- The amount of contractual commitments for the acquisition of property, plant and equipment is Rs. 2,137.16 Lakhs
- Part of Leasehold land admeasuring 15,700 Sq. Mtr. (Cost Rs. 10.07Lakhs) and part of freehold land admeasuring 27890 Sq. Mtr. (Cost Rs. 21.06 Lakhs) is stated at revalued amount of Rs. 272.00 Lakhs and Rs. 433.35 Lakhs respectively.
- The freehold land situated at Sector 1, Pithampur, District Dhar, Madhya Pradesh is agriculture land and the process of obtaining necessary approvals for it's diversion is pending before appropriate authority.
- The leasehold land is stated at revalued amounts,  
Fair Value Measurements:  
(a) the effective date of the revaluation;  
(b) whether an independent valuer was involved;  
(c) for each revalued class of property, plant and equipment, the carrying amount that would have been recognised had the assets been carried under the cost model; and  
(d) the revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to shareholders.

### 8. Financial Assets Investments

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>1 Investment in Equity Instruments</b>		
(a) Trade Investment in equity of subsidiary companies-unquoted		
(i) 25,967,000 Equity Shares of Bhat 10/- each, fully paid up in M/s. Rajratan Thai Wire Company Limited, Thailand (Previous year 25,967,000 Equity Shares of Bhat 10/- each) (Wholly Owned Subsidiary)	3,837.58	3,837.58
(b) 250 Equity Shares of Rs 10/- Each of M/s Shamrao Vithaldas Co. Operative Society Limited, Mumbai (Fully Paid up)	0.03	0.03
Total	3,837.61	3,837.61
Aggregate amount of quoted investments	NIL	NIL
Aggregate amount of unquoted investments	3,837.61	3,837.61
Aggregate amount of impairment in value of investments	NIL	NIL

### 9. Loans

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Unsecured, Considered good</b>		
(i) <b>Loan to Related Party (Refer Note No.41)</b> (Rajratan Thai Wire Co. Limited Wholly owned Subsidiary)	1,002.52	946.86
(ii) <b>Security Deposits</b> Unsecured, Considered good		
<b>Deposit with Related Party (Refer Note No.41)</b>	4.50	4.50
Others	106.86	84.39
Total	1,113.88	1,035.75

### 10. Other non-current assets

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Capital Advance</b>		
Unsecured, Considered good	315.28	7.16
Total	315.28	7.16

## Notes of the Financial Statements for the year ended 31st March 2019

### 11. Inventories

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
(a) Raw Material:	1,300.56	1,064.60
(b) Work-in-Progress	121.73	104.40
(c) Finished Goods	727.96	335.09
(d) Stock-in-Transit	234.83	-
(e) Stores & Spares	192.26	144.94
(f) Loose Tools	0.48	0.76
<b>Total</b>	<b>2,577.82</b>	<b>1,649.79</b>

Inventories are valued at cost or net realisable value whichever is lower. The cost formulas used are Weighted Average Cost in case of Raw Material (Wire Rods) and First-in First Out ('FIFO') in case of Ancillary Raw Material and Stores & Spares. The cost of inventories comprises all cost of purchase including duties and taxes (other than those subsequently recoverable from the taxing authorities), conversion cost and other costs incurred in bringing the inventories to their present location and condition.

### 12. Trade Receivables

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Considered good-Secured	-	-
Considered good-Unsecured (Includes Rs. NIL (Previous Year Rs. 2.25Lakhs )due from wholly owned subsidiary Rajratan Thai Wire Co. Ltd., Thailand)	6,119.47	5,258.52
Trade Receivables which have significant increase in Credit Risk	15.34	11.86
Less: Impairment for Trade Receivable*	(15.34)	(11.86)
Trade Receivables-Credit Impaired	26.59	-
Less: Credit Impaired and Written off	(26.59)	-
<b>Total</b>	<b>6,119.47</b>	<b>5,258.52</b>

\*The provision for the impairment of trade receivable has been made on the basis of expected credit loss method and other cases based on management judgement.

### 13. Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Cash and Cash Equivalents</b>		
(a) Cash on hand including Foreign Currency	8.88	3.52
(b) Balances with Banks Current Accounts	1.62	0.99
<b>Total</b>	<b>10.50</b>	<b>4.51</b>

### 14. Bank Balances

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
(a) Fixed Deposit Account held as margin money (with maturity less than 12 Months)	383.16	310.57
(b) Unpaid Dividend Accounts	6.02	6.31
<b>Total</b>	<b>389.18</b>	<b>316.87</b>

## Notes of the Financial Statements for the year ended 31st March 2019

### 15. Loans Receivables

(Rs. in Lakhs)

Particulars	As at	
	31st March 2019	31st March 2018
(a) Loans Receivables Considered good-Secured	-	-
(b) Loans Receivables Considered good-Unsecured	272.42	198.22
(c) Loans Receivables which have significant increase in Credit Risk"	-	-
(d) Loans Receivables-credit impaired	-	-
<b>Total</b>	<b>272.42</b>	<b>198.22</b>

### 16. Other Financial Assets

(Rs. in Lakhs)

Particulars	As at	
	31st March 2019	31st March 2018
Interest Accrued on Fixed Deposit	3.97	3.81
<b>Total</b>	<b>3.97</b>	<b>3.81</b>

### 17. Other Current Assets

(Rs. in Lakhs)

Particulars	As at	
	31st March 2019	31st March 2018
(a) Balance with Government Authorities	66.83	76.41
(b) Others (Includes Prepaid Expenses and advances to Suppliers and Staff)	82.29	255.17
<b>Total</b>	<b>149.12</b>	<b>331.59</b>

### 18. Share Capital

(Rs. in Lakhs)

a)

Particulars	As at		As at	
	31st March 2019		31st March 2018	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs. 10/- each	8,150,000	815.00	8,150,000	815.00
Issued, Subscribed & fully paid up				
Equity Shares of Rs. 10/- each	4,351,800	435.18	4,351,800	435.18
	<b>4,351,800</b>	<b>435.18</b>	<b>4,351,800</b>	<b>435.18</b>

(b) Par Value Per Share

10/-

10/-

c) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

Particulars	As at		As at	
	31st March 2019		31st March 2018	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	4,351,800	435.18	4,351,800	435.18
Shares outstanding at the end of the year	<b>4,351,800</b>	<b>435.18</b>	<b>4,351,800</b>	<b>435.18</b>

(d) Rajratan Investments Limited together with Rajratan Resources Private Limited, Mr. Sunil Chordia and his family holds 63.50% (Previous Year 63.50%) have control over the Company as defined in IndAS-110 Consolidated Financial Statements. Accordingly Rajratan Investments Ltd is considered as the Holding company.



## Notes of the Financial Statements for the year ended 31st March 2019

### e) Shares held by the holding Company / Associate Company and shareholders holding more than 5% shares in the Company

Particulars	As at 31st March 2019		As at 31st March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Rajratan Investments Limited	7,82,881	17.99	7,82,881	17.99
Rajratan Resources Pvt Limited	3,81,420	8.76	3,81,420	8.76
Mrs. Sangita Chordia	5,80,433	13.34	5,80,433	13.34
Mr. Sunil Chordia	5,00,959	11.51	5,00,959	11.51
Mr. Yashovardhan Chordia	2,68,000	6.16	2,68,000	6.16
SBI Small and Midcap Fund	<b>3,41,751</b>	<b>7.85</b>	<b>2,70,000</b>	<b>6.20</b>

### (f) Terms / Rights to Shareholders

#### (i) Equity Shares

##### (A) Voting

- (i) The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held.

##### Dividends

- (ii) The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval by the shareholders of the Company in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The total dividend paid for the year ended 31st March 2018 amounts to Rs. 65.28 Lakhs excluding Corporate Dividend Distribution Tax of Rs. 13.42 Lakhs (Previous Year Rs. 65.28 Lakhs excluding Corporate Dividend Distribution Tax Rs. 13.29 Lakhs)

##### Liquidation

- (iii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### 19. Other Equity

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>(a) Securities Premium</b>		
Balance as per last financial statement	839.85	839.85
Add: Issued during the year	-	-
Less: Redeemed during the year	-	-
(a)	<b>839.85</b>	<b>839.85</b>
<b>(b) Revaluation Surplus</b>		
Balance as per Last Financial statement	412.29	412.29
Add: Revaluation of assets	-	-
Less: Deduction during the year	-	-
(b)	<b>412.29</b>	<b>412.29</b>
<b>(c) General Reserve</b>		
Balance as per last financial statement	5,575.00	4,975.00
Add: Additions during the year	600.00	600.00
(c)	<b>6,175.00</b>	<b>5,575.00</b>
<b>(d) Surplus/(Deficit) as per the Statement of Profit and Loss</b>		
Balance as per last financial statement	3,832.25	3,609.30
<b>Add:</b>		
Profit for the Year	1,868.84	879.39
Other Comprehensive Income for the Year	(11.68)	22.13
Transferred to General Reserve	(600.00)	(600.00)
Dividend (Including Dividend Distribution Tax)	(78.69)	(78.57)
(d)	<b>5,010.71</b>	<b>3,832.25</b>
<b>Total (a+b+c+d)</b>	<b>12,437.85</b>	<b>10,659.39</b>

## Notes of the Financial Statements for the year ended 31st March 2019

### Non-Current Liabilities

#### 20. Financial Liabilities Borrowings

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Term Loans from Bank- Secured	3,073.99	249.44
<b>Total</b>	<b>3,073.99</b>	<b>249.44</b>

(Rs. in Lakhs)

Term Loan from State Bank of India & HDFC Bank Ltd.	As at 31st March 2019	As at 31st March 2018
Total Outstanding as per Bank	3,807.14	820.01
Less: Classified as Current Maturity	724.97	560.01
<b>Non Current Liabilities</b>	<b>3,082.17</b>	<b>260.00</b>
Less: Amortisation of Loan Transaction Cost as per Ind AS	8.18	10.56
<b>Non Current Liabilities</b>	<b>3,073.99</b>	<b>249.44</b>

#### SECURITY:

- Term loans from State Bank of India, Indore are secured by way of first charge and equitable mortgage of immovable properties including lease hold land situated at Plot No. 199, 200A & 200 B, Sector-1 Pithampur and hypothecation of all the movable machinery, present and future.
- Term loan from HDFC Bank Ltd is secured by way of second pari-passu charge and equitable mortgage of immovable properties including leased hold land situated at Plot no. 199, 200A & 200 B, Sector-1 Pithampur and hypothecation of all the movable machinery, present and future .
- Both the lender have pari passu charge on the stock of raw material, goods in process, finished and manufactured goods and book debts towards security for working capital facility.
- Term loans are also secured by personal guarantee of the Managing Director.

(Rs. in Lakhs)

Particulars	Total Tenor of Loan	Frequency of Installment	No. of Installments Due as on 31.3.2019	Amount (Rs. In Lakhs) Outstanding	Rate of Interest
State Bank of India	5 years	Quarterly	4	253.33	10.95
State Bank of India	6 years	Quarterly	24	1,509.70	9.50
HDFC Bank Ltd	7 years	Monthly	84	1,987.31	8.95
HDFC Bank Ltd (BMW)	5 years	Monthly	60	56.79	8.60

#### 21. Deferred Tax Liabilities (Net)

The Movement on the deferred tax account is as follows

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
At the Start of the Year	908.79	856.15
Add: on account of IND AS Adjustments		-
Charge/(Credit) to Statement of Profit & Loss	(43.88)	52.64
<b>Total</b>	<b>864.91</b>	<b>908.79</b>

#### Component of Deferred Tax Liabilities/(Assets)

(Rs. in Lakhs)

Particulars	As at 31st March-2018	Charge/(credit) to Statement of Profit & Loss	As at 31st March-2019
<b>Deferred Tax Liabilities/(Assets) in relation to:</b>			
Property, Plant & Equipment	908.79	(43.88)	864.91
<b>Total</b>	<b>908.79</b>	<b>(43.88)</b>	<b>864.91</b>

## Notes of the Financial Statements for the year ended 31st March 2019

### Current Liabilities

#### 22. Borrowings

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Secured</b>		
Loans repayable on demand		
(a) From Bank	3,499.27	3,523.56
<b>Unsecured</b>		
(b) Loans and advances from related parties	219.51	376.21
<b>Total</b>	<b>3,718.78</b>	<b>3,899.77</b>

#### Security

- A. Loans repayable on demand from State Bank of India, Indore and HDFC Bank Ltd., Indore are Working Capital Loans and are secured by hypothecation of entire current assets of the Company present and Future and by second charge on all the immovable properties of the Company and plant and machinery, machinery spares, tools and accessories and other movables both present and future. Such advances are also secured by personal guarantees of the Managing Director.
- B. Loans payable on demand to Citi Bank NA and other loans and advances received from related parties are unsecured.
- C. The Company has been sanctioned following credit facilities that are undrawn as on Balance Sheet date and available for future operating activities and to settle capital commitment's (Rs. In Lakhs):-

S.No.	Name of Bank	Interest Rate	Nature of Facility	Amount Sanctioned	Amount Undrawn
1	HDFC Bank Ltd	8.95%	Term Loan	2500	513
2	State Bank of India	9.50%	Term Loan	2000	479
3	Citi Bank NA		Working Capital	1000	1000

#### 23. Trade Payables

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Trade Payables</b>		
(i) Total outstanding dues of micro enterprises and small enterprises,	76.30	1.88
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (includes Rs. 10.50 Lakhs) to Wholly Own Subsidiary Rajratan Thai Wire Co. Ltd. (Previous Year Rs. NIL)	2,476.10	993.36
<b>Total</b>	<b>2,552.40</b>	<b>995.24</b>

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2019 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act :		
	Principal	76.30	1.88
	Interest	0.10	-
ii)	The amount of interest credit by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.10	-
v)	The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	0.10	-

## Notes of the Financial Statements for the year ended 31st March 2019

### 24. Other Financial Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Current Maturities of Long Term debts (See Note 20)	724.97	560.01
Interest accrued and due on borrowings	13.45	2.51
Interest accrued but not due on borrowings	11.82	-
Unpaid Dividends	6.02	6.31
<b>Total</b>	<b>756.26</b>	<b>568.82</b>

### 25. Other Current Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
(i) Advance received from Customers	19.74	9.80
(ii) Creditors for Capital Goods (Includes Rs. 168.70 Lakhs due to related party Refer Note No.41)	347.37	28.96
(iii) Statutory Liabilities	269.30	171.92
<b>Total</b>	<b>636.41</b>	<b>210.69</b>

### 26. Current Tax Liability

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Income Tax ( Net of advance Tax Rs. 523.88 Lakhs (Previous Year Rs. 352.83 Lakhs)	65.53	51.96
<b>Total</b>	<b>65.53</b>	<b>51.96</b>

The Income tax expenses for the year can be reconciled to the accounting profits as follows:

(Rs. in Lakhs)

Particulars	Year Ended 31st March 2019	Year Ended 31st March 2018
Profit Before Tax	2,418.89	1,331.41
Applicable Tax Rate	29.12%	34.608%
<b>Computed Tax Expenses</b>	<b>704.38</b>	<b>460.77</b>
Tax effect of:		
IndAS Adjustments	14.01	17.94
Exempted Income/ Income at Special Rate	-	166.04
Expenses disallowed	(292.74)	(7.96)
Deductions under Chapter VIA	120.09	88.85
Tax at Special Rate on LTCG	-	27.12
(Short)/Excess Provision of earlier years	(4.53)	(5.41)
Interest on Shortfall of Advance Tax	10.22	1.66
<b>Current Tax Provision (A)</b>	<b>593.94</b>	<b>399.38</b>
Incremental Deferred Tax Liability on account of Tangible and Intangible Assets	(43.89)	52.64
<b>Deferred Tax Provision (B)</b>	<b>(43.89)</b>	<b>52.64</b>
<b>Tax Expenses recognised in Statement of Profit and Loss (A+B)</b>	<b>550.05</b>	<b>452.02</b>
<b>Effective Tax Rate</b>	<b>22.74%</b>	<b>33.95%</b>

As per IND AS 12 "Income Taxes", the disclosures as defined are given below:

(a) Current Tax Expense (Income)	589.41
(b) Any adjustments recognised in the period for current tax of prior periods	4.53
<b>Net Tax Expense</b>	<b>593.94</b>

## Notes of the Financial Statements for the year ended 31st March 2019

(c) The amount of deferred tax expenses /(income) relating to changes in tax rate or the imposition of new taxes:-

Particulars	(Rs. In Lakhs)
Income due to change in rate	(144.11)
Deferred Tax Liability created due to increase in difference between carrying amount and tax base	100.23
Net expenses/(income) for the year	(43.88)

(d) The aggregate current and deferred tax relating to items that are charged or credited directly to equity is Rs. 13.42 Lakhs

(e) Explanation for change in the applicable tax rate (s) compared to the previous accounting period:-

As per Indian Tax Laws the applicable tax rate has changed from 34.608% in Financial Year 2017-18 to 29.12% in Financial Year 2018-19

(f) The amount of income tax consequences of dividends to shareholders of the entity that is proposed but are not recognised as a liability in the financial statements is Rs. 17.89 Lakhs.

### 27. Revenue from Operations

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Sale of Manufactured Goods (Including Excise Duty in the previous year till 30.06.2017)	29,334.74	21,102.17
Sale of Traded Goods	2,113.31	1,122.07
Other Operating Revenue	7.71	32.28
<b>Total</b>	<b>31,455.76</b>	<b>22,256.52</b>

### 28. Other Income

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Interest Income	168.72	187.07
Dividend from Long Term Investment	-	0.00
Profit on Sale of assets	2.55	-
Gain on Exchange Fluctuation	52.68	12.92
<b>Total</b>	<b>223.95</b>	<b>199.99</b>

### 29. Cost of Materials Consumed

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Wire Rod/Wire	19,910.42	13,161.80
Ancillary Raw Material	341.75	265.82
<b>Total</b>	<b>20,252.17</b>	<b>13,427.62</b>

### 30. Cost of Traded Goods

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Wire Rod	1,667.47	1,083.41
Bead Wire	353.62	-
Others	11.08	10.12
<b>Total</b>	<b>2,032.17</b>	<b>1,093.53</b>

## Notes of the Financial Statements for the year ended 31st March 2019

### 31. Change in Inventories of Finished Goods and & Work-in-progress

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
<b>Opening Stock</b>		
Work-in-Progress	104.40	73.68
Finished Goods	335.09	423.17
	439.49	496.85
<b>Closing Stock</b>		
Work-in-Progress	121.73	104.40
Finished Goods	727.96	335.09
Stock-in-transit	234.83	-
	1,084.52	439.49
<b>Increase/(Decrease) in Inventories of Finished Goods &amp; Work In Progress(Total)</b>	<b>(645.03)</b>	<b>57.36</b>

### 32. Employee Benefits Expense

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Salary, Wages, Bonus & Allowances	1,156.05	1,046.77
Contribution to Provident Fund	62.17	55.01
Contribution to ESIC	23.53	21.19
Staff Welfare Expenses	58.11	42.99
Contribution to Gratuity Fund	15.79	25.66
Medical Expenses Reimbursement	6.53	7.85
<b>Total</b>	<b>1,322.18</b>	<b>1,199.47</b>

### 33. Finance Costs

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Interest	674.70	461.58
Other Borrowing Costs	137.52	120.87
<b>Total</b>	<b>812.22</b>	<b>582.45</b>

### 34. Other Expenses

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Power & Fuel	2,453.91	1,947.83
Less: Recovery of energy generated by Windmill	(127.53)	(99.87)
	<b>2,326.38</b>	<b>1,847.96</b>
Consumable Stores	410.81	325.27
Packing Material	197.96	174.90
Freight Inward	280.08	217.74
Freight Outwards	1,095.22	835.54
Rent	5.76	5.76
Repair to Building	32.37	26.54
Repair to Machinery	377.43	422.34
Insurance	8.37	5.55
Rates & Taxes, excluding taxes on income	4.31	14.92
Expected Credit Loss	3.48	1.92
ETP Expenses	37.05	33.76
Legal & Professional charges	57.10	48.01
CSR Expenditure	29.77	25.50
Miscellaneous Expenses (Below 1% of revenue from Operations)	230.22	184.05
<b>Total</b>	<b>5,096.32</b>	<b>4,169.77</b>



## Notes of the Financial Statements for the year ended 31st March 2019

### 35. Other Comprehensive Income

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
(A) Items that will not be reclassified into profit or loss		-
(i) Remeasurement of defined benefit plans	(11.68)	22.13
<b>Total (A)</b>	<b>(11.68)</b>	<b>22.13</b>
(B) Items that will be reclassified to profit or loss	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>

### 36. Exceptional Items

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Profit on Sale of Shares	-	166.03
<b>Total</b>	<b>-</b>	<b>166.03</b>

### 37. As per IND AS 19 "Employee benefits", the disclosures as defined are given below:

#### Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

(Rs. in Lakhs)

Particulars	2018-19	2017-18
Employer's Contribution to Provident Fund	62.17	55.01

#### Defined Benefit Plan

##### I) Reconciliation of opening and closing balances of Defined Benefit Obligation

(Rs. in Lakhs)

Particulars	Gratuity (Funded)	
	2018-19	2017-18
Defined Benefit Obligation at beginning of the year	256.13	244.30
Current Service Cost	17.70	17.24
Interest Cost	19.64	16.14
Past Servicer Cost (Vested benefits)	-	7.78
Benefits paid	(0.80)	(6.06)
Actuarial (Gain)/Loss	11.16	(23.27)
Defined Benefit Obligation at year end	303.82	256.13

##### Reconciliation of Opening and Closing balances of fair value of Plan Assets

(Rs. in Lakhs)

Particulars	Gratuity (Funded)	
	2018-19	2017-18
Fair value of Plan Assets at beginning of year	269.10	208.75
Adjustment to Opening Fair Value of Plan Asset	2.58	-
Expected Return on Plan Assets	21.03	14.36
Actuarial Gain/(Loss)	-	-
Employer Contribution	18.80	52.05
Benefits Paid	(0.80)	(6.06)
Fair value of Plan Assets at year end	310.70	269.10
Actual return on Plan Assets		

## Notes of the Financial Statements for the year ended 31st March 2019

### 37. (Contd.)

#### Reconciliation of fair Value of Assets and Obligations

(Rs. in Lakhs)

Particulars	Gratuity (Funded)	
	As at 31st March 2019	As at 31st March 2018
Fair value of Plan Assets	310.70	269.10
Present Value of Obligation	303.82	256.13
Amount recognised in Balance Sheet (Surplus/(Deficit))	6.88	12.97

#### Expenses recognised during the year

(Rs. in Lakhs)

Particulars	Gratuity (Funded)	
	2018-19	2017-18
In Income Statement		
Current Service Cost	17.70	17.24
Interest Cost	19.64	16.14
Past Service Cost	-	7.78
Return on Plan Assets	21.56	15.50
<b>Net Cost</b>	<b>58.90</b>	<b>56.66</b>
In Other Comprehensive Income		
Actuarial (Gain)/Loss	11.68	(22.13)
Return on Plan Assets		
<b>Net (Income)/Expenses for the period recognised in OCI</b>	<b>11.68</b>	<b>(22.13)</b>
Investment Details		
Gratuity Fund (LIC of India)	310.70	269.10
GOI Securities	-	-
Public Securities	-	-
State Government Securities	-	-
Insurance Policies	-	-
Others (Including bank balances)	-	-
<b>Total</b>	<b>310.70</b>	<b>269.10</b>

Actuarial Assumptions	Gratuity (Funded)	
Mortality Table (ALM)	2018-19	2017-18
Discount Rate (Per Annum)	7.68%	7.68%
Rate of Escalation in Salary (Per annum)	7.00%	7.00%

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

Since the scheme funds are invested with LIC of India Expected Rate of Return is based on rate of return declared by fund managers.

The expected contribution for Defined Benefit Plan for the next financial year will be in line with FY 2018-19.

#### Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employment turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

## Notes of the Financial Statements for the year ended 31st March 2019

### 37. (Contd.)

(Rs. in Lakhs)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Change in discounting rate	272.47	340.42	228.20	288.86
Change in rate of salary Escalation	339.54	272.73	287.93	228.56

### 38. Payment to Auditors As:

(Rs. in Lakhs)

Particulars	2018-19	2017-18
(a) Auditors		
Statutory Auditors Fees	2.25	2.25
Tax Audit Fees	0.50	0.50
(b) Certification and Consultation Fees	0.50	0.50
<b>Total</b>	<b>3.25</b>	<b>3.25</b>

Certification and Consultation fees primarily includes certification fees paid to auditors. Statutes and regulation require auditors to certify export documentation, quarterly fillings, XBRL fillings, transfer pricing and bond issuances among others.

### 39. Corporate Social Responsibility (CSR)

- (a) CSR amount required to be spent as per section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is Rs. 26.69 Lakhs (Previous Year Rs. 24.17 Lakhs)
- (b) Expenditure related to Corporate Social Responsibility is Rs. 29.84 Lakhs (Previous Year Rs. 25.50 Lakhs)

#### Details of Amount spent towards CSR given below:

(Rs. in Lakhs)

Particulars	2018-19	2017-18
(i) Contribution to Relief Fund	5.00	-
(ii) Livelihood	0.46	1.95
(iii) Healthcare	8.00	12.24
(iv) Environment	-	-
(v) Empowering Women	0.88	-
(vi) Sports	5.50	-
(vii) Promoting Education	10.00	11.31
<b>Total</b>	<b>29.84</b>	<b>25.50</b>

- (c) Out of note (b) above Rs. 7 Lakhs (Previous Year Rs. 12.50 Lakhs) is spent through Rajratan Foundation, entity over which Key Management Personnel exercise significant influence.
- (d) The balance unspent amount for previous year towards CSR as on Balance Sheet date is Rs. 33.95 Lakhs.

### 40. EARNING PER SHARES (EPS)

(Rs. in Lakhs)

Particulars	2018-19	2017-18
(i) Net Profit after Tax as per statement of Profit and Loss attributable to Equity Shareholders	1,868.84	879.39
(ii) Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	4,351,800	4,351,800
(iii) Weighted Average Potential Equity Shares	-	-
(iv) Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	4,351,800	4,351,800
(v) Basic Earnings Per Share (Rs.)	42.94	20.21

## Notes of the Financial Statements for the year ended 31st March 2019

(Rs. in Lakhs)

Particulars	2018-19	2017-18
(vi) Diluted Earning Per Share (Rs.)	42.94	20.21
(vii) Face Value per Equity Share (Rs.)	10.00	10.00

### 41. Related Parties Disclosures

(i) As per Ind AS 24, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and also related parties with whom transactions have taken place and relationships:

Sr. No.	Name of Related Party	Relationship
1	Shri Sunil Chordia	Key Managerial Personnel (KMP)
2	Smt. Sangita Chordia	Key Managerial Personnel (KMP)
3	Shri Rajesh Sharda	Key Managerial Personnel (KMP) (Up to 16.06.2018)
4	Shri Hitesh Jain	Key Managerial Personnel (KMP)
5	Shri Shubham Jain	Key Managerial Personnel (KMP)
6	Smt. Shantadevi Chordia	Relative of KMP
7	Shri Yashovardhan Chordia	Relative of KMP
8	Ms Shubhika Chordia	Relative of KMP
9	Shri Purshottam Das Nagar	Non Independent Director
10	Shri Abhishek Dalmia	Non Independent Director
11	Shri Chandrashekhar Bobra	Independent Director
12	Shri Surendra Singh Maru	Independent Director
13	Shri Shiv Singh Mehta	Independent Director
14	M/s Rajratan Resources Pvt Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence
15	M/s Rajratan Investments Ltd.	Holding Company
16	M/s Rajratan Thai Wire Co. Ltd.	Subsidiary
17	M/s P.D. Nagar & Co.	Firm over which Shri Purshottam Das Nagar being non independent Director is able to exercise significant influence
18	M/s Semac Construction Technologies India LLP	LLP over which Shri Abhishek Dalmia being non independent Director is able to exercise significant influence
19	M/s Swaraj Technocrafts Pvt. Ltd.	Subsidiary (Till 31.08.2017)

(ii) Transaction during the year with related parties:

(Rs. in Lakhs)

Sr. No.	Nature of Transactions	Subsidiaries	Key Managerial Personnel	Relatives of KMP	Enterprises Over Which Key Managerial Personnel	Enterprises Over Which Non Independent Director are able to exercise significant influence	Independent and Non Independent Director	Holding Company	Total
1	Purchase of Tangible Assets	- (11.31)	- (-)	- (-)	- (-)	2126.21 (-)	- (-)	- (-)	2126.21 (11.31)
2	Sale of Goods	241.06 (999.94)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	241.06 (999.94)
3	Job Work Charges Paid	- (2.87)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (2.87)
4	Purchases of Stores & Spares and Goods	332.26 (7.71)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	332.26 (7.71)
5	Rent	- (-)	1.08 (1.08)	1.08 (1.08)	- (-)	- (-)	- (-)	- (-)	2.16 (2.16)

## Notes of the Financial Statements for the year ended 31st March 2019

### 41. (Contd.)

(Rs. in Lakhs)

Sr. No.	Nature of Transactions	Subsidiaries	Key Managerial Personnel	Relatives of KMP	Enterprises Over Which Key Managerial Personnel	Enterprises Over Which Non Independent Director are able to exercise significant influence	Independent and Non Independent Director	Holding Company	Total
6	Interest Paid	-	17.46	-	0.40	-	15.03	3.06	35.95
		(-)	(30.23)	(-)	(-)	(-)	(12.60)	(-)	(42.83)
7	Interest Received	86.57	-	-	-	-	-	-	86.57
		(83.80)	(-)	(-)	(-)	(-)	(-)	(-)	(83.80)
8	Remuneration	-	126.36	4.27	-	-	-	-	130.63
		(-)	(116.57)	(-)	(-)	(-)	(-)	(-)	(116.57)
9	Unsecured Loan	-	94.73	-	5.70	-	35.00	40.50	175.93
	Received	(-)	(515.27)	(-)	(-)	(-)	(-)	(-)	(515.27)
10	Unsecured Loan Repaid	-	320.00	-	-	-	45.00	-	365.00
		(-)	(415.49)	(-)	(-)	(-)	(-)	(-)	(415.49)
11	Sitting Fees	-	-	-	-	-	3.50	-	3.50
		(-)	(-)	(-)	(-)	(-)	(2.90)	(-)	(2.90)
12	Legal & Professional	-	-	-	-	9.00	-	-	9.00
	Charges	(-)	(-)	(-)	(-)	(9.25)	(-)	(-)	(9.25)

### (iii) Balances as at 31st March 2019

1	Trade Receivables	-	-	-	-	-	-	-	-
		(2.25)	(-)	(-)	(-)	(-)	(-)	(-)	(2.25)
2	Unsecured Loan	-	53.30	-	6.06	-	116.89	43.26	219.51
		(-)	(262.85)	(-)	(-)	(-)	(113.36)	(-)	(376.21)
3	Loans and Advances	1002.51	-	-	-	-	-	-	1002.51
	Given	(946.86)	(-)	(-)	(-)	(-)	(-)	(-)	(946.86)
4	Trade Payables	10.50	-	-	-	8.10	-	-	18.60
		(-)	(-)	(-)	(-)	(8.70)	(-)	(-)	(8.70)
5	Creditors for Capital	-	-	-	-	168.70	-	-	168.70
	Goods	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
6	Deposit for Rented	-	4.50	-	-	-	-	-	4.50
	Property	(-)	(4.50)	(-)	(-)	(-)	(-)	(-)	(4.50)

### (v) Disclosure in Respect of Major Related Party Transactions during the year:

(Rs. in Lakhs)

	Particulars	Relationship	2018-19	2017-18
1	<b>Purchase of Tangible and Intangible Assets</b>			
	(i) Swaraj Technocrafts Pvt Ltd	Subsidiary	-	11.31
	M/s Semac Construction Technologies India LLP	LLP over which Shri Abhishek Dalmia being non independent Director is able to exercise significant influence	2,126.21	-
2	<b>Sale of Goods</b>		-	-
	(i) Rajratan Thai Wire Co. Ltd	Subsidiary	241.06	999.94
3	<b>Job Work Charges Paid</b>		-	-
	(i) Swaraj Technocrafts Pvt Ltd	Subsidiary	-	2.87
4	<b>Purchases of Stores &amp; Spares and Other Goods</b>		-	-
	(i) Rajratan Thai Wire Co. Ltd	Subsidiary	332.26	-
	(ii) Swaraj Technocrafts Pvt Ltd	Subsidiary	-	7.71

## Notes of the Financial Statements for the year ended 31st March 2019

### 41. (Contd.)

(Rs. in Lakhs)				
	Particulars	Relationship	2018-19	2017-18
<b>5</b>	<b>Rent</b>		-	-
	(i) Smt. Sangita Chordia	KMP	1.08	1.08
	(ii) Smt. Shantadevi Chordia	Relatives of KMP	1.08	1.08
<b>6</b>	<b>Interest Paid</b>		-	-
	(i) Shri Sunil Chordia	KMP	14.97	25.10
	(ii) Smt. Sangita Chordia	KMP	2.49	5.13
	(iii) Shri Purshottam Das Nagar	Non Independent Director	15.04	12.60
	(iii) Rajratan Resources Pvt Ltd	Enterprises Which KMP are able to exercise significant influence	0.40	-
	(iv) Rajratan Investments Ltd	Holding Company	3.06	-
<b>7</b>	<b>Interest Received</b>		-	-
	(i) Rajratan Thai wire Co. Ltd	Subsidiary	86.57	83.80
<b>8</b>	<b>Remuneration</b>		-	-
	(i) Shri Sunil Chordia	KMP	78.80	78.80
	(ii) Smt Sangita Chordia	KMP	16.88	13.52
	(iii) Shri Rajesh Sharda	KMP	14.49	18.66
	(iv) Shri Hitesh Jain	KMP	10.63	1.67
	(v) Shri Shubham Jain	KMP	5.55	3.93
	(vi) Ms Shubhika Chordia	Relatives of KMP	4.27	-
<b>9</b>	<b>Unsecured Loan received</b>		-	-
	(i) Shri Sunil Chordia	KMP	36.67	342.50
	(ii) Smt. Sangita Chordia	KMP	58.06	172.77
	(iii) Shri Purshottam Das Nagar	Independent Director	35.00	-
	(iv) Rajratan Resources Pvt Ltd	Enterprises Which KMP are able to exercise significant influence	5.70	-
	(v) Rajratan Investments Ltd	Holding Company	40.50	-
<b>10</b>	<b>Unsecured Loan Repaid</b>		-	-
	(i) Shri Sunil Chordia	KMP	234.00	270.36
	(ii) Smt. Sangita Chordia	KMP	86.00	145.14
	(iii) Shri Purshottam Das Nagar	Non Independent Director	45.00	-
<b>11</b>	<b>Sitting Fees</b>		-	-
	(i) Shri Purshottam Das Nagar	Non Independent Director	1.00	0.80
	(ii) Shri Chandrashekhar Bobra	Independent Director	0.80	0.60
	(iii) Shri Abhishek Dalmia	Non Independent Director	0.40	0.40
	(iv) Shri Surendra Singh Maru	Independent Director	0.90	0.80
	(v) Shri Shiv Singh Mehta	Independent Director	0.40	0.30
<b>12</b>	<b>Counsellancy Charges</b>		-	-
	(i) P. D. Nagar & Co.	Firm Which Shri Purshottam Das Nagar being Non Independent Director is able to exercise significant influence	9.00	9.25

### (vi) Balances as at 31st March 2019

(Rs. in Lakhs)				
	Particulars	Relationship	31-3-2019	31-3-2018
<b>1</b>	<b>Trade Receivables</b>			
	(i) Rajratan Thai Wire Co. Ltd.	Subsidiary	-	2.25
<b>2</b>	<b>Unsecured Loan</b>		-	-
	(i) Shri Sunil Chordia	KMP	46.03	229.89
	(ii) Smt Sangita Chordia	KMP	7.27	32.96
	(iii) Shri Purshottam Das Nagar	Non Independent Director	116.89	113.36
	(iii) Rajratan Resources Pvt Ltd	Enterprises Which KMP are able to exercise significant influence	6.06	-



## Notes of the Financial Statements for the year ended 31st March 2019

### 41. (Contd.)

		(Rs. in Lakhs)	
Particulars	Relationship	31-3-2019	31-3-2018
(iv) Rajratan Investments Ltd	Holding Company	43.26	-
Trade Payables		-	-
(i) Rajratan Thai Wire Co. Ltd.	Subsidiary	10.50	-
(ii) Semac Construction Technologies India LLP	LLP over which Shri Abhishek Dalmia being non independent Director is able to exercise significant influence	168.70	-
(iii) P D Nagar & Co.	Firm Which Shri Purshottam Das Nagar being Non Independent Director is able to exercise significant influence	8.10	8.70
<b>3 Loans and Advances</b>		<b>-</b>	<b>-</b>
(i) Rajratan Thai Wire Co. Ltd.	Subsidiary	1,002.51	946.86

The related party transactions were made on terms equivalent to those that prevail in an arm's length transactions.

#### (vii) Compensation of Key Management Personnel

The remuneration of director and other member of Key Management personnel during the year was as follows:-

		(Rs. in Lakhs)	
Particulars		2018-19	2017-18
Short-term benefits		130.63	116.57
<b>Total</b>		<b>130.63</b>	<b>116.57</b>

Certain KMP's also participate in post employment benefits plans prepared by the Company. The amount in respect of these towards the KMP's cannot be segregated as these are based on actuarial valuation for all employees of the Company.

### 42. Contingent Liabilities and Commitments

		(Rs. in Lakhs)	
Particulars		2018-19	2017-18
<b>I) Contingent Liabilities</b>			
<b>A) Claims against the Company/disputed liabilities not acknowledged as debts</b>		NIL	NIL
<b>B) Guarantees</b>			
(i) Guarantees to Bank and Financial Institutions against credit facilities extended to third parties and other Guarantees			
Corporate Guarantee for the credit facilities availed by M/s Rajratan Thai Wire Co. Ltd. Thailand the Wholly Owned subsidiary of the Company. (Bank has released guarantee on 27th April 2018)		NIL	US\$ 8.30 Mn
(ii) Standby Letter of Credit issued to M/s Rajratan Thai Wire Co. Ltd., Thailand (Wholly Owned Subsidiary) under Clean Credit facilities sanctioned to company by CitiBank NA.		US\$ 1.4 Mn	NIL
<b>C) Other Money for which the Company is contingently liable</b>			
(i) Liability in respect of bills discounted with Banks (including third party bills discounting)		NIL	NIL
(ii) Income Tax & Excise appeals for which no provision is considered required as the Company is hopeful of successful outcome in the appeals. There are uncertainties about the amount or timing of those outflows as it depend on completion of the appellate process. There is no assumption made and the amount is based on demand raised by the Departments.			

## Notes of the Financial Statements for the year ended 31st March 2019

### 41. (Contd.)

(Rs. in Lakhs)

Particulars	Financial year	Rs. In Lakhs	Forum Where dispute is pending
Income Tax	2014-15	7.93	CIT (A) -II Indore
	2015-16	8.15	CIT (A) -II Indore
Central Sales Tax	2011-12	5.07	Appellate Board, Bhopal
	2012-13	2.48	Appellate Board, Bhopal
	2013-14	7.92	Appellate Board, Bhopal
	2015-16	1.81	Before Commercial Tax Officer, Villupuram
VAT	2014-15	4.32	Additional CCT(A), Indore
Service Tax	04/14 to 02/15 & 03/15 to 12/15	46.81	Customs, Central Excise & Service Tax Appellate, Tribunal, New Delhi
Excise	2005-06	2.70	CESTAT, Mumbai
	02/2010 to 11/2010 & 12/2010 to 08/2011	0.81	CESTAT, New Delhi
	2017-2018	6.58	Asst. Commissioner, Pithampur
	Apr'2016 to June 17	2.99	CESTAT New Delhi

- (iii) Madhya Pradesh Paschim Khestra Vidhyut Vitran Company Ltd. (MPPKVCL) has raised a supplementary bill to the Company for Rs. 202.25 Lakhs for non-adjustment of solar units in Time Of Day (TOD) manner. The demand is not accepted by the Company and appeal was filed before Electricity Consumer Grievances Redressal Forum. The matter is sub-judice and stay has been granted by Hon'ble M.P. High Court against the demand. The management is of opinion that the Company has got indemnity through Solar Power Purchase Agreements from the suppliers. The Company has also raised counter claims to such suppliers of Solar Power and the management is confident that there will be no probable outflow of resources on this account.

### (II) Commitments

(Rs. in Lakhs)

Particulars	2018-19	2017-18
(A) Estimated amount of contracts remaining to be executed on capital account and not provided for:	2,137.16	654.46
(B) Other Commitments	NIL	NIL

**43.** M/s Rajratan Global Wire Limited (the Holding Company) acquired all the shares of M/s Cee Cee Engineering Industries Private Limited on 15th August 2016 making it a Wholly Owned Subsidiary (WOS). The WOS has been merged with the Holding Company vide order dated 16th January 2018 of the Hon'ble National Company Law Tribunal, Ahmedabad Bench with 1st April 2017 as the Appointed Date. As per the approved Scheme all the assets and liabilities of the WOS appearing in the Balance Sheet as at 31st March 2017, drawn up as per Ind AS, have been merged with the Holding Company as on 1st April 2017. The Method of Accounting is Pooling of Interest Method, in accordance with Ind AS 103 Business Combinations, Appendix C - Business Combination of Entities under Common Control. However the Revaluation Reserve appearing in the Balance Sheet of the WOS has been adjusted against the goodwill on amalgamation as the price paid for the shares in August 2016 was for the fair value of the land which is appearing in the balance sheet at revalued amount with corresponding credit to the Revaluation Reserve. Further as per para 9(iii) of the said Appendix, the financial information of the previous year have been restated with effect from 15th August 2016, as if the Business Combination had occurred on that date. Accordingly the financial performance from 15th August 2016 to 31st March 2017 and the financial position as on 31st March 2017 have been included in the standalone financial statements of the Holding Company and not in the Consolidated Financial Statements of the Rajratan Group. The goodwill is allocated to factory building situated at Pithampur District Dhar together with all Plant & Machinery located therein, which is considered as one Cash Generating Unit (CGU) for the purpose of testing impairment. No impairment loss has been recognised during the year.

## Notes of the Financial Statements for the year ended 31st March 2019

### 43. (Contd.)

44. The leasehold land at plot no 199 Industrial Area No 1, Pithampur District Dhar was originally leased to M/s Cee Cee Engineering Industries Private Limited, which stands merged with M/s Rajratan Global Wire Limited with effect from 1st April 2017. Initially the lease was considered for a period of 99 years till 2116. Since the leased deed has now been executed for a period of 30 years only the Company had revised the estimated period of lease amortisation from the year 2116 to 2078 in the previous year only. The lease hold premium amortised during the year is Rs. 4.29 Lakhs as against Rs. 4.42 Lakhs amortised in FY 2017-18.

45. The Company adheres to a robust Capital Management framework which is underpinned by the following guiding principles;

- Maintain financial strength to attain AAA ratings domestically and investment grade ratings internationally.
- Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk while meeting investment requirements.
- Proactively manage group exposure in forex, interest and commodities to mitigate risk to earnings.
- Leverage optimally in order to maximize shareholder returns while maintaining strength and flexibility of the Balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

The gearing ratio at end of the reporting period was as follows.

Particulars	(Rs. in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Non-Current Liabilities (Other than DTL)	3,074	249
Current maturities of Long Term debts	725	560
Gross Debt	3,799	809
Cash and Cash Equivalents	11	5
Net Debt (A)	3,788	805
Total Equity (As per Balance Sheet) (B)	12,873	11,095
<b>Net Gearing (A/B)</b>	<b>0.29</b>	<b>0.07</b>

### 46. FINANCIAL INSTRUMENTS

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of investment in Equity Shares of Co-Operative Bank is measured at market repurchase price which is the best available fair value.
- The fair value of Forward Foreign Exchange contracts and is determined using forward exchange rates at the balance sheet date.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

#### Fair Value measurement hierarchy:

Particulars	(Rs. in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>Financial Assets</b>		
<b>At Amortised Cost</b>		
Investments*	3,837.58	3,837.58
Trade Receivables	6,119.47	5,258.52
Cash and Bank Balances	399.68	321.38
Loans	1,386.30	1,233.98
Other Financial Assets	3.97	3.81
<b>At FVTPL</b>		
Investments	0.03	0.03

## Notes of the Financial Statements for the year ended 31st March 2019

### 46. (Contd.)

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>At FVTOCI</b>		
Investments		
<b>Financial Liabilities</b>		
Borrowings	3,073.99	249.44
Trade Payables	2,552.40	995.24
Other Financial Liabilities	4,475.04	4,468.59

\*Investments in Subsidiary

#### Foreign Currency Risk:

The following table shows foreign currency exposures in USD, EUR and GBP on financial instruments at the end of the reporting period. The exposure to foreign currency for all other currencies are not material.

#### Foreign Currency Exposure

Particulars	As at 31st March 2019		As at 31st March 2018	
	USD	EUR	USD	EUR
Loans Receivable	(14.47)	-	(14.54)	-
FCNR (B) DL	-	-	-	-
Working Capital Demand Loan (in Foreign Currency)	-	-	-	-
Trade and Other Payables	0.16	-	0.01	-
Trade and Other receivables	(1.11)	(1.50)	(1.65)	(0.42)
Buyers Credit	6.02	-	-	-
Derivatives				
- Forwards & Futures	-	-	-	-
- Currency Swap				
- Options				
<b>Net Exposure</b>	<b>(9.40)</b>	<b>(1.50)</b>	<b>(16.18)</b>	<b>(0.42)</b>

The net exposures have natural hedges in the form of future foreign currency earnings and earnings linked to foreign currency for which the Company may follow hedge accounting.

**Sensitivity analysis of 1% change** in exchange rate at the end of reporting period net of hedges

#### Foreign Currency Sensitivity

Particulars	As at 31st March 2019		As at 31st March 2018	
	USD	EUR	USD	EUR
1% Depreciation in INR				
Impact on P & L	(6.51)	(1.16)	(10.54)	(0.34)
Total	(6.51)	(1.16)	(10.54)	(0.34)
1% Appreciation in INR				
Impact on P & L	6.51	1.16	10.54	0.34
Total	6.51	1.16	10.54	0.34

#### Interest Rate Risk

The exposure of the Company's borrowing and derivatives to interest rate changes at the end of the reporting period are as follows

#### Interest Rate Exposure

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Loans</b>		
Long Term Loan	3,073.99	249.44

## Notes of the Financial Statements for the year ended 31st March 2019

### 46. (Contd.)

#### Interest Rate Exposure

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Short Term Unsecured Loan	219.51	376.21
Short Term Loan (including Current Maturity of Long Term Loan)	4,224.25	4,083.57
<b>Total</b>	<b>7,517.74</b>	<b>4,709.22</b>

Impact on Interest Expenses for the year on 1% change in Interest rate

#### Interest rate Sensitivity

(Rs. in Lakhs)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Up move	Down move	Up move	Down move
Impact on Equity				
Impact on P & L	72.98	(72.98)	43.33	(43.33)
<b>Total Impact</b>	<b>72.98</b>	<b>(72.98)</b>	<b>43.33</b>	<b>(43.33)</b>

#### Commodity Price Risk

Commodity price risk arises due to fluctuation in prices of raw material. The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in raw material prices and freight costs.

The Company's commodity risk is managed centrally through well-established trading operations and control processes. In accordance with the risk management policy, the Company carefully calibrates the timing and the quantity of purchase

#### Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the Company. Credit risk arises mainly from the outstanding receivables from customers.

The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The credit ratings/market standing of the customers are evaluated on a regular basis.

#### Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities. The Company maintains adequate cash and cash equivalents alongwith the need based credit limits to meet the liquidity needs.

#### Hedge Accounting

The Company avails Foreign Currency Demand Loans from bank time to time to reduce the interest cost. The Company takes forward cover to hedge against the foreign currency risks. The amount of foreign currency risks and forward cover are as under:

(Rs. in Lakhs)

Particulars	31st March 2019	31st March 2018
Foreign Currency Loan	NIL	NIL
Forward Cover	NIL	NIL

The forward cover was an effective hedge.

#### Operating Leases

(a) the total of future minimum lease payments under non-cancellable operating leases for each of the following periods:

(i)	not later than one year;	5,76
(ii)	later than one year and not later than five years;	NIL
(iii)	later than five years.	NIL

b) the total of future minimum sublease payments expected to be received under non-cancellable subleases at the end of the reporting period. NIL

## Notes of the Financial Statements for the year ended 31st March 2019

### 46. (Contd.)

- c) lease and sublease payments recognised as an expense in the period, with separate amounts for minimum lease payments, contingent rents, and sublease payments. 5,76
- d) The Company pays rent for office premises at Indore and Mumbai. The lease period is for 11 months with option to renew. The payments for office premises at Indore are to related parties. None of the lease agreements have any restrictions concerning dividend, additional debt and further leases.
- e) The leasehold land of the Company situated at Plot no. 200 A & B Sector,1, Pithampur Dist Dhar has been obtained from MPAKVN (Indore) Limited on a lease of 99 years from 1989 & 1990 respectively and Plot no. 199 Sector,1 Pithampur, Dist Dhar has been obtained from MPAKVN (Indore) Limited on a lease of 30 years from 31/12/1997.
- (i) the existence and terms of renewal or purchase options and escalation clauses; and
- (ii) None of the lease arrangements have any restrictions concerning dividends, additional debt and further leasing.

47. As per Ind AS 108-"Operating Segment", segment information has been provided under the Notes to Consolidated Financial Statement.

### 48. DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186(4) OF THE COMPANIES ACT, 2013.

(Rs. in Lakhs)					
Sr. No.	Particulars	Name of Entity	Relations	Purpose	Amount
1	Loan Given*	Inter Corporate Deposit	-	Business Purpose	Rs. 448.00 Lakhs
2	Standby Letter of Credit Given	Rajratan Thai wire Co. Ltd.	Wholly Owned Subsidiary	Stand by Letter of Credit for the credit facilities availed by the M/s Rajratan Thai Wire Co. Ltd, Thailand Wholly owned subsidiary of the Company	US \$ 1.40 Mn
3	Investments Made	Rajratan Thai wire Co. Ltd.	Wholly Owned Subsidiary	Investments	Rs. 3837.58 Lakhs
		Shamrao Vithaldas Co Operative Society Ltd.	None	Investments	

#Out of the unsecured inter corporate loan of Rs. 448.00 Lakhs given during the year to various parties. The outstanding balance as on 31st March 2019 is Rs. 272.42 Lakhs.

49. The research and development expenditure for the year ended March, 2019 amounts to Rs. 84.46 Lakhs.

### 50. Events after the Reporting Period

The Board of Directors have recommended dividend of Rs. 2/- Per fully paid up equity share of Rs. 10/- each, aggregating Rs. 104.93 Lakhs Including Rs. 17.89 Lakhs dividend distribution tax for the financial year 2018-19, which is based on relevant share capital as on 31st March 2019. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date/book closure.

### 51. Standards issued but not yet effective up to the date of Financial Statements

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

## Notes of the Financial Statements for the year ended 31st March 2019

### l) Ind AS 116 Leases

Ind AS 116 Leases was notified by MCA on 30th March 2019 and it replaces Ind AS 17 Leases, including appendices thereto.

Ind AS 116 is effective for annual periods beginning on or after 1st April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from 1st April 2019. The impact on adoption of Ind AS 116 on the financial statements is not material. Accordingly, comparatives for the year ending or ended 31st March 2019 will not be retrospectively adjusted.

### 52. Approval of Financial Statements

The financial statements are approved for issue by the Board of Directors in their meeting held on 10th May 2019.

As per our Audit Report of even dated

For **D S MULCHANDANI & CO**  
CHARTERED ACCOUNTANTS  
FRN: 021781C

**(CA. DEEPAK S MULCHANDANI)**  
PROPRIETOR  
M. NO. 404709  
INDORE  
Dated: 10th May 2019

**FOR AND ON BEHALF OF BOARD**

**(SURENDRA SINGH MARU)**  
DIRECTOR  
DIN:03081191  
**(SHUBHAM JAIN)**  
COMPANY SECRETARY

**(SUNIL CHORDIA)**  
MANAGING DIRECTOR  
DIN:00144786  
**(HITESH JAIN)**  
CHIEF FINANCIAL OFFICER



# Independent Auditor's Report

To,  
The Members of  
M/s. Rajratan Global Wire Limited  
Indore

## Report on the Audit of the Consolidated Ind AS Financial Statements

### Opinion

We have audited the Consolidated Ind AS financial statements of Rajratan Global Wire Limited, (hereinafter referred to as "the Holding company") and its subsidiary M/s Rajratan Thai Wire Company Limited (the Holding company and its subsidiary together referred to as "the Group"), which comprise of the consolidated Balance sheet as at 31st March 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis of Opinion

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of

our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements for the financial year ended 31st March 2019. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Ind AS financial statements.

Key Audit Matters	How our audit addressed the Key Audit Matters
<b>Revenue Recognition</b> (as described in note 2.2(n) of the consolidated Ind AS financial statements)	

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>The management is of the opinion that it controls the goods before transferring them to the customer.</p> <p>The variety of terms that define when control are transferred to the customer, as well as the high value of the transactions, give rise to the risk that revenue is not recognized in the appropriate accounting period.</p> <p>Revenue is measured net of returns and allowances, trade discounts and volume rebates (collectively 'discount and rebates'). There is a risk that these discount and rebates are incorrectly recorded as it also requires a certain degree of estimation, resulting in understatement of the associated expenses and accrual.</p> <p>Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from Contracts with Customers', it was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<p>We assessed the Company's process to identify the impact of adoption of new Revenue Accounting Standard (Ind AS 115). Our audit approach included assessment of design and testing of operating effectiveness of internal controls related to revenue recognition, calculation of discounts and rebates and other substantive testing. We carried out:</p> <ul style="list-style-type: none"> <li>• Evaluation of the design of internal controls relating to implementation of new revenue accounting standard.</li> <li>• Selection of samples of both continuing and new contracts for               <ul style="list-style-type: none"> <li>-testing of operating effectiveness of the internal control</li> <li>- identification of contract wise performance obligations and</li> <li>- determination of transaction price.</li> </ul> </li> <li>• Verification of individual sales transaction on sample basis and traced to sales invoices, sales orders and other related documents. Further, the samples were checked for revenue recognition as per the shipping terms.</li> <li>• Sample of sales transactions were selected pre- and post-year end, agreeing the period of revenue recognition to third party support, such as transporter invoice and customer confirmation of receipt of goods.</li> <li>• Direct confirmations were obtained from customers to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.</li> <li>• In the cases where direct confirmations are not available, additional procedures were applied in respect of receipts in the subsequent period.</li> </ul>

We have determined that there are no other key audit matters to communicate in our report.

#### Information Other than the Financial Statements and Auditor's Report Thereupon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report 2018-19, but does not include the Consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of Consolidated Ind AS financial statements, our responsibility is to read the other information and in doing so, consider whether such other information is materially inconsistent with the Consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that

there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibilities for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets

of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility for the Audit of Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding

Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most

significance in the audit of the Consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

(a) We did not audit the financial statements and other financial information, in respect of Rajratan Thai Wire Limited, wholly owned subsidiary, whose Ind AS financial statements include total assets of Rs. 13,588.48 Lakhs as at 31st March 2019, total revenues of Rs. 18,437.75 Lakhs, and net cash outflow of Rs. 281.80 Lakhs for the year ended on that date, as considered in the Consolidated Ind AS-110 Financial Statements. These Ind AS financial statement and other financial information have been audited by other auditor of Thailand whose reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report(s) of such other auditor.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements and other financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

- (d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representation received from the directors of the Holding Company as on 31st March 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
- (f) With respect to the adequacy of the Internal Financial Controls over financial reporting, other than Rajratan Thai Wire Company Limited which is incorporated outside India, and the operating effectiveness of such internal controls which is based on the auditor's report of the Holding Company, refer to our separate Report in "Annexure-A" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company Internal Financial Control over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 42 to the consolidated financial statements
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **D S Mulchandani & Co.**

Chartered Accountants

FRN 021781C

**(CA. Deepak S Mulchandani)**

Proprietor

M.No. 404709

Place : Indore

Dated: 10.05.2019

## Annexure - A to the Auditors' Report

(Referred to in Para 1(f) under "Report on Other Legal and Regulatory Requirements" of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of consolidated Ind AS financial statements of the Company as of and for the year ended 31st March 2019, we have audited the internal financial controls over financial reporting of Rajratan Global Wire Limited ("the Holding Company") as of that date.

### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion to the best of our information and according to explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over

financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **D S Mulchandani & Co.**  
Chartered Accountants  
FRN 021781C

**(CA. Deepak S Mulchandani)**  
Proprietor  
M.No. 404709

Place : Indore  
Dated: 10.05.2019

# Consolidated Balance Sheet as at 31st March 2019

(Rs. in Lakhs)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
<b>I. ASSETS</b>			
<b>1 NON CURRENT ASSETS</b>			
(a) Property Plant and Equipment	3	16,811.38	12,882.03
(b) Capital work-in-progress	4	3,202.36	554.67
(c) Goodwill	5	10.05	10.05
(d) Other Intangible Assets	6	26.31	19.69
(e) Intangible assets under development	7	3.25	-
(f) Financial Assets			
(i) Investments	8	0.03	0.03
(ii) Loans	9	152.94	90.36
(g) Deferred Tax Assets	10	43.81	235.03
(h) Other Non- Current Assets	11	315.28	103.82
		<b>20,565.41</b>	<b>13,895.68</b>
<b>2 CURRENT ASSETS</b>			
(a) Inventories	12	4,521.47	3,574.92
(b) Financial Assets			
(i) Trade Recievables	13	7,178.08	7,211.58
(ii) Cash and Cash Equivalents	14	16.15	277.75
(iii) Bank Balances other than (ii) above	15	389.17	316.87
(iv) Loans	16	499.56	198.22
(v) Other Financial Assets	17	3.97	3.81
(c) Other Current Assets	18	149.12	623.89
		<b>12,757.52</b>	<b>12,207.04</b>
<b>TOTAL ASSETS</b>		<b>33,322.93</b>	<b>26,102.72</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	19	435.18	435.18
(b) Other Equity	20	13,805.49	11,070.44
		<b>14,240.67</b>	<b>11,505.62</b>
<b>LIABILITIES</b>			
<b>1 NON CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	21	3,964.01	391.56
(b) Deferred Tax Liabilities	22	864.91	908.79
(c) Other Non Current Laibilities	23	4.91	2.77
		<b>4,833.83</b>	<b>1,303.13</b>
<b>2 CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	24	8,887.15	8,668.55
(ii) Trade Payables	25	3,617.04	3,731.71
(iii) Other Financial Liabilities	26	910.73	617.52
(b) Other Current Liabilities (Net)	27	767.98	224.22
(c) Current Tax Liabilities	28	65.53	51.97
		<b>14,248.43</b>	<b>13,293.97</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>33,322.93</b>	<b>26,102.72</b>
Significant Accounting Policies and notes on Financial Statements	162		

As per our Audit Report of even dated

For **D S MULCHANDANI & CO**  
CHARTERED ACCOUNTANTS  
FRN: 021781C

(CA. DEEPAK S MULCHANDANI)  
PROPRIETOR  
M. NO. 404709  
INDORE  
Dated: 10th May 2019

FOR AND ON BEHALF OF BOARD

(SURENDRA SINGH MARU)  
DIRECTOR  
DIN:03081191  
(SHUBHAM JAIN)  
COMPANY SECRETARY

(SUNIL CHORDIA)  
MANAGING DIRECTOR  
DIN:00144786  
(HITESH JAIN)  
CHIEF FINANCIAL OFFICER



# Consolidated Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2019

(Rs. in Lakhs)

Particulars	Note	Year ended 31st March 2019	Year ended 31st March 2018
<b>Revenue</b>			
I Revenue from Operations	29	49,288.95	34,877.29
II Other Income	30	170.00	490.19
<b>III TOTAL (I+II)</b>		<b>49,458.95</b>	<b>35,367.48</b>
<b>IV Expenses</b>			
Cost of materials consumed	31	32,616.30	22,081.87
Purchase of Stock-in-Trade	32	1,463.98	104.34
Changes in inventories of finished goods, Stock-in-Trade and Work-in-Progress	33	(1,002.57)	(19.15)
Excise Duty		-	419.68
Employee Benefit Expense	34	2,411.43	2,127.48
Finance Costs	35	1,080.68	867.30
Depreciation and Amortization Expense	3 & 6	919.12	773.78
Other Expenses	36	8,559.69	6,831.03
<b>TOTAL (IV)</b>		<b>46,048.63</b>	<b>33,186.33</b>
<b>V Profit / (Loss) before exceptional items and tax (III-IV)</b>		<b>3,410.32</b>	<b>2,181.15</b>
<b>VI Exceptional Items (Gain)</b>	37	-	166.03
<b>VII Profit / (Loss) before tax (V+VI)</b>		<b>3,410.32</b>	<b>2,347.18</b>
<b>VIII Tax Expenses of Continued Operations</b>			
(1) Current Tax		593.93	399.38
(2) Deferred Tax		145.45	238.68
<b>IX Profit / (Loss) for the period from Continuing Operations (VII-VIII)</b>		<b>2,670.94</b>	<b>1,709.12</b>
<b>X Profit / (Loss) from Discontinued Operations (Refer Note no.45)</b>		-	2.89
<b>XI Tax Expenses of Discontinued Operations</b>			
(1) Current Tax		-	-
(2) Deferred Tax		-	(0.96)
<b>XII Profit / (Loss) from Discontinued Operations (X-XI)</b>		-	3.85
<b>XIII Profit / (Loss) for the period (IX+XII)</b>		<b>2,670.94</b>	<b>1,712.97</b>
Other Comprehensive Income	38		
A (i) Items that will not be reclassified to profit or loss			
(a) Gain/(Loss) on fair value of defined benefit plans as per Actuarial Valuation		(11.68)	22.12
(ii) Income tax relating to items that will not be reclassified to profit or loss			
B (i) Items that will be reclassified to profit or loss			
(a) Exchange Difference fluctuations on Translation of investment in Subsidiary		154.48	253.97
(ii) Income tax relating to items that will be reclassified to profit or loss			
<b>XIV Total Comprehensive Income for the period (Comprising Profit(Loss) and Other Comprehensive Period for the period (XII+XIII)</b>		<b>2,813.74</b>	<b>1,989.06</b>
<b>XV Total Comprehensive Income attributable to:</b>			
a) Parent Company		2,813.74	1,987.83
b) Non Controlling Interest		-	1.23
<b>XVI Total Comprehensive Income for the period (Comprising Profit/(Loss) and Other Comprehensive Period for the period net of Non Controlling Interest)</b>		<b>2,813.74</b>	<b>1,989.06</b>
<b>XVII Earnings per Equity Share (for Continuing Operations)</b>			
- Basic		61.38	39.33
- Diluted		61.38	39.33
- Face Value		10.00	10.00
<b>XVIII Earnings per Equity Share (for Discontinued Operations)</b>			
- Basic		-	0.09
- Diluted		-	0.09
<b>XIX Earnings per Equity Share (for discontinued and continuing operations)</b>			
- Basic		61.38	39.42
- Diluted		61.38	39.42
- Face Value		10.00	10.00
<b>XX Significant Accounting Policies and Notes on Financial Statements</b>	1 & 2		

As per our Audit Report of even dated

For **D S MULCHANDANI & CO**  
 CHARTERED ACCOUNTANTS  
 FRN: 021781C

(CA. DEEPAK S MULCHANDANI)  
 PROPRIETOR  
 M. NO. 404709  
 INDORE  
 Dated: 10th May 2019

FOR AND ON BEHALF OF BOARD

(SURENDRA SINGH MARU)  
 DIRECTOR  
 DIN:03081191  
 (SHUBHAM JAIN)  
 COMPANY SECRETARY

(SUNIL CHORDIA)  
 MANAGING DIRECTOR  
 DIN:00144786  
 (HITESH JAIN)  
 CHIEF FINANCIAL OFFICER

# Consolidated Cash Flow Statement For The Year Ended 31st March 2019

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019		Year ended 31st March 2018	
<b>A. Cash Flow from Operating Activities</b>				
Net Profit / (Loss) before tax as per Statement of Profit and Loss		3,410.32		2,347.19
Adjustments for:				
Depreciation /Amortisation Expenses	919.13		773.78	
(Profit)/Loss on Sales/Discard of Assets (Net)	4.09		6.04	
Finance Cost	1,080.69		867.31	
Net Gain on Investments	-		(166.04)	
Remeasurement of defined Benefit Plans	(11.68)	1,992.23	22.13	1,503.22
<b>Operating Profit before Working Capital Changes</b>		<b>5,402.55</b>		<b>3,850.41</b>
Adjustments for:				
(Increase)/Decrease in Trade & Other Receivables	206.77		(389.76)	
(Increase)/Decrease in Financial Assets & Other Non Current Assets	(274.05)		(44.42)	
(Increase)/Decrease in Inventories	(946.55)		(204.87)	
Increase/(Decrease) in Working Capital Limits	218.60		629.31	
Increase/(Decrease) in Trade and Others Payables	724.44	(70.79)	455.54	445.80
<b>Net Cash generated from / (used) in Operating Activities</b>		<b>5,331.76</b>		<b>4,296.21</b>
Taxes (Paid) / Refund (net)		(580.37)		(443.49)
<b>Net Cash generated from / (used) in Operating Activities</b>		<b>4,751.39</b>		<b>3,852.72</b>
<b>B. Cash Flow from Investing Activities</b>				
Purchase of tangible and intangible assets	(7,151.37)		(2,042.63)	
Adjustment on account of disposal of Subsidiary	-		33.37	
Disposal of Investment in Subsidiary	-		221.00	
Sale Proceeds from disposal of tangible and intangible assets	19.25		29.38	
<b>Net Cash generated from / (used in) Investing Activities</b>		<b>(7,132.12)</b>		<b>(1,758.88)</b>
<b>C. Cash Flow from Financing Activities</b>				
Proceeds from Long Term Borrowings	3,572.45		(414.15)	
Change in Foreign Currency Translation Reserve	(223.52)		(409.37)	
Impact of Deferred Tax Assets on Foreign Currency Translation	1.89		11.79	
Increase/(Decrease) in Non Controlling Interest	-		-	
Dividend Paid	(65.28)		(65.28)	
Dividend Tax Paid	(13.42)		(13.29)	
Increase in Reserves on account of merger of subsidiary	-		-	
Increase in Deferred Tax Assets on account of merger of subsidiary	-		-	
Finance Cost	(1,080.69)		(867.31)	
<b>Net Cash generated from / (used in) Financing Activities</b>		<b>2,191.43</b>		<b>(1,757.61)</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>(189.30)</b>		<b>336.24</b>
<b>Opening Balance of Cash and Cash Equivalents</b>		<b>594.62</b>		<b>258.38</b>
<b>Closing Balance of Cash and Cash Equivalents</b>		<b>405.32</b>		<b>594.62</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents</b>		<b>(189.30)</b>		<b>336.24</b>

Previous year figures have been regrouped / reclassified / rearranged wherever necessary to make them comparable to those for the current year.

As per our Audit Report of even dated

For **D S MULCHANDANI & CO**  
CHARTERED ACCOUNTANTS  
FRN: 021781C

FOR AND ON BEHALF OF BOARD

(CA. DEEPAK S MULCHANDANI)  
PROPRIETOR  
M. NO. 404709  
INDORE  
Dated: 10th May 2019

(SURENDRA SINGH MARU)  
DIRECTOR  
DIN:03081191  
(SHUBHAM JAIN)  
COMPANY SECRETARY

(SUNIL CHORDIA)  
MANAGING DIRECTOR  
DIN:00144786  
(HITESH JAIN)  
CHIEF FINANCIAL OFFICER

# Consolidated Statement of Changes in Equity for the period ended 31st March 2019

## A. Equity Share Capital

Balance at the beginning of reporting period as on 1st April 2017	Changes in Equity share capital during the year 2017-18	Balance at the end of reporting period as on 31st March 2018	Changes in Equity share capital during the year 2018-19	Balance at the end of reporting period as on 31st March 2019
435.18	-	435.18	-	435.18

(Rs. in Lakhs)

## B. Other Equity

Particulars	Reserves and Surplus			Revaluation Surplus	Exchange difference on translating the financial statements of foreign operations	Total
	Securities Premium Reserve	Retained Earnings	General Reserve			
<b>AS on 31st March 2018</b>						
Balance at the beginning of reporting period as on 1st April 2017	839.85	2,451.68	4,975.00	412.29	518.35	9,197.18
Restated balance at the beginning of reporting period 1st April 2017	839.85	2,451.68	4,975.00	412.29	518.35	9,197.18
Profit for the period 2017-18	-	1,709.12	-	-	-	1,709.12
Other comprehensive income for the period 2017-18	-	22.12	-	-	253.97	276.08
Dividends	-	(78.57)	-	-	-	(78.57)
Adjustments on account of disposal of Subsidiary Transferred to Retained Earnings	-	(33.37)	-	-	-	(33.37)
Transferred to General Reserve	-	(600.00)	600.00	-	-	-
<b>Balance at the end of reporting period as on 31st March 2018</b>	<b>839.85</b>	<b>3,470.98</b>	<b>5,575.00</b>	<b>412.29</b>	<b>772.32</b>	<b>11,070.44</b>

(Rs. in Lakhs)

## B. Other Equity

Particulars	Reserves and Surplus			Revaluation Surplus	Exchange difference on translating the financial statements of foreign operations	Total
	Securities Premium Reserve	Retained Earnings	General Reserve			
<b>AS on 31st March 2019</b>						
Balance at the beginning of reporting period as on 1st April 2018	839.85	3,470.98	5,575.00	412.29	772.32	11,070.44
Restated balance at the beginning of reporting period 1st April 2018	839.85	3,470.98	5,575.00	412.29	772.32	11,070.44
Profit for the period 2018-19	-	2,670.94	-	-	-	2,670.94
Other comprehensive income for the period 2018-19	-	(11.68)	-	-	154.48	142.80
Issued during the year	-	-	-	-	-	-
Dividends	-	(78.69)	-	-	-	(78.69)
Transferred to General Reserve	-	(600.00)	600.00	-	-	-
<b>Balance at the end of reporting period as on 31st March 2019</b>	<b>839.85</b>	<b>5,451.55</b>	<b>6,175.00</b>	<b>412.29</b>	<b>926.80</b>	<b>13,805.49</b>

(Rs. in Lakhs)

## C. Purpose of Each Reserve within Equity

### 1 Securities Premium

Where a company issues shares at a premium, whether for cash or otherwise, assume equal to the aggregate amount of the premium received on those shares shall be transferred to a "Securities Premium Account"

### 2 General Reserve

The General Reserves are the retained earnings of a company which are kept aside out of company's profits to meet future (known or unknown) obligations. Earlier, it was mandatory to transfer the amount to General Reserve before declaration of dividend.

### 3 Revaluation Reserve

Revaluation Reserve is the amount ascertained due to a revaluation performed on an asset and kept it as a separate reserve.

# Consolidated Notes of the Financial Statements for the year ended 31st March 2019

## 1. CORPORATE INFORMATION

The Rajratan Group consists of Rajratan Global Wire Limited, a company incorporated in India under the Indian Companies Act and a wholly owned subsidiary Rajratan Thai Wire Co. Ltd. incorporated in Thailand. The parent company and the wholly owned subsidiary M/s Rajratan Thai Wire Co. Ltd. are engaged in the business of manufacturing and sale of Tyre Bead Wire. The Consolidated Financial Statements have been prepared as required u/s 129 (5) of the Companies Act, 2013.

### 2.1 Basis of Preparation of Financial Statements

(a) The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:-

- Certain financial assets and liabilities (including derivative instruments) and
- Defined benefit plans - plan assets

The consolidated financial statements of the Group have been prepared and presented to comply with the Indian Accounting standards ('Ind-AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

#### (b) Basis of Consolidation & Translation of Foreign Currency

- (i) The accompanying financial statements have been prepared in Indian rupees being the national currency of India.
- (ii) The consolidated financial statements of the Group have been prepared based on a line-by-line consolidation of the financial statements of Rajratan Global Wire Limited and its subsidiary are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- (iii) Assets and Liabilities of foreign subsidiary are translated into Indian Rupees at the exchange rate of 1 Thai Baht = 2.181358 INR prevailing as at the Balance Sheet date. Revenues and expenses are translated into Indian Rupee at average rate of 1 Thai Baht = 2.162791 INR and the resulting net exchange differences are accumulated in Foreign Currency Translation Reserve, as the operations of the subsidiary are considered as Non-Integral Foreign operations.
- (iv) The net difference on account of translation of investment in foreign subsidiary in the Indian Currency, at the reporting date, amounting to Rs. 1834.54 Lakhs is also considered as part of Foreign Currency Translation Reserve.
- (v) Non Controlling Interest's share of profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.

### 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Property, Plant and Equipment (PPE)

- i) Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.
- ii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. In the carrying amount of an item of PPE, the cost of replacing the part of such an item is recognized when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition principles.
- iii) Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.
- iv) Depreciation on property, plant and equipment is provided using straight line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 . Each part of an item of Property, Plant & Equipment with a cost that is significant in relation to total cost of the Machine is depreciated separately, if its useful life is different than the life of the Machine.

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

- v) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- vi) Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.
- vii) Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognised when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "Stores & Spares" forming part of the inventory.

### b) Leases

- i) Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
- ii) Leased assets: Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.
- iii) Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.
- iv) A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.
- v) Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

The leasehold land at plot no 199 Industrial Area No 1, Pithampur District Dhar was originally leased to M/s Cee Cee Engineering Industries Private Limited, which stands merged with M/s Rajratan Global Wire Limited with effect from 1st April 2017. Initially the lease was considered for a period of 99 years till 2116. Since the lease deed has now been executed for a period of 30 years only the Company had revised the estimated period of lease amortisation from the year 2116 to 2078 in the previous year only. The lease hold premium amortised during the year is Rs 4.29 Lakhs as against Rs 4.42 Lakhs amortised in FY 2017-18, based on the earlier estimates.

### c) Intangible assets

- i) Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.
- ii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.
- iii) Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### d) Goodwill

The business combination of the entities under common control is accounted as per Appendix C of Indian Accounting Standards (IND AS 103)- Business Combinations. Goodwill represents the amount of difference between consideration and the value of net identifiable assets (adjusted for credit balance in revaluation reserves) acquired

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### e) Capital Work in Progress

- i) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress. Such costs comprises purchase price of asset including import duties and non-refundable taxes after deducting trade discounts and rebates and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- ii) Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under "Capital Works in Progress" and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects.
- iii) Capital Expenditure incurred for creation of facilities, over which the Group does not have control but the creation of which is essential principally for construction of the project is capitalized and carried under "Capital work in progress" and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant & Equipment". Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit and Loss.

### f) Research and Development Expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.

### g) Finance Cost

- i) Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.
- ii) Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.
- iii) All other borrowing costs are expensed in the period in which they occur.

### h) Inventories

- i) Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.
- ii) The cost formulas used are Weighted Average Cost in case of Raw Material and First in First Out (FIFO) Method in case of Ancilliary Raw Material, Stores and Spares, Packing Materials, Trading and other products.

### i) Impairment of non-financial assets - property, plant and equipment and intangible assets

- i) The Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs. The goodwill on business combinations is tested for impairment annually.
- ii) An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

- iii) The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### j) Provisions, Contingent Liabilities & Contingent Assets and Commitments

- i) Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.
- ii) If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
- iii) Contingent liabilities are disclosed on the basis of judgment of management. These are reviewed at each balance sheet date are adjusted to reflect the current management estimate.
- iv) Contingent assets are not recognized but are disclosed in the financial statements when inflow of economic benefits is probable.

### k) Income Taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

#### i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

#### ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

### l) Foreign Currency Transactions

- i) Transactions in foreign currencies are initially recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.
- ii) Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.
- iii) Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is



## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

### m) Employee Benefits Expense

#### Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

#### Post-Employment Benefits

##### Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

##### **Defined Benefits Plans**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @ 15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective IT authorities.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

#### Employee Separation Costs

Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is payable in the year of exercise of option by the employee. The Company recognises the employee separation cost when the scheme is announced and the Company is demonstrably committed to it.

### n) Revenue Recognition

#### Sale of Goods

The Group derives revenues primarily from sale of Tyre Bead Wire and other products.

For sale of goods, revenue is recognised when control of the goods has been transferred at a point in time i.e. when the goods have been delivered to the specific location (delivery). Following delivery, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

The Company provides retrospective volume rebates and pricing incentives to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from operations includes sale of goods, services, service tax, excise duty and adjusted for discounts (net), and gain/ loss on corresponding hedge contracts.

As per the provisions of Ind AS 115 revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.3 (a) and there is no material impact of adoption of Ind AS 115 on financial statements.

Revenue from exports benefits measured at the fair value of consideration received or receivable net of returns and allowances, cash discounts, trade discounts and volume rebates.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

### Interest Income

Interest income from a financial asset is recognised using Effective Interest Rate (EIR) method.

### Dividends

Revenue is recognised when the right to receive the payment has been established, which is generally when shareholders approve the dividend.

### Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted to the extent that there is no uncertainty in receiving the claims.

### Other Operating Income

Export incentives receivable are accounted for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds.

### Contract Balances

#### Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (o) Financial instruments – initial recognition and subsequent measurement.

#### Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Costs to fulfil a contract i.e. freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognised.

## o) Financial Instruments

### i) Financial Assets

#### A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

### **B. Subsequent measurement**

#### Financial assets carried at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets at fair value through profit or loss (FVTPL)

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL.

### **C. Investment in Subsidiaries, Associates and Joint Ventures**

The group has elected to measure investment in subsidiaries, joint venture and associate at cost. On the date of transition, the carrying amount has been considered as deemed cost.

Investment in Equity shares & Mutual Funds etc., are classified at fair value through the profit and loss account.

### **D. Other Equity Investments**

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

### **E. Impairment of financial assets**

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

## **ii) Financial Liabilities**

### **A. Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

### **B. Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### Derivative financial instruments and Hedge Accounting

"The Group uses various derivative financial instruments such as interest rate swaps, currency swaps, forwards & options and commodity contracts to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

### C. Hedges that meet the criteria for hedge accounting are accounted for as follows:

#### a) Cash Flow Hedge

The Group designates derivative contracts or non derivative financial assets/liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

#### b) Fair Value Hedge

The Group designates derivative contracts or non derivative financial assets/liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

### D. Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### p) Operating Cycle

The Group presents assets and liabilities in the balance sheet based on current/non-current classification based on its operating cycle. The Company has identified twelve months as its operating cycle.

#### A An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

**B** A liability is current when:

- a. It is expected to be settled in normal operating cycle;
- b. It is held primarily for the purpose of trading;
- c. It is due to be settled within twelve months after the reporting period, or
- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### **q) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a right issue to existing shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### **r) Dividend Distribution**

Dividend distribution to the shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

### **s) Statement of Cash Flows**

#### **i) Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **ii) Statement of Cash Flows is prepared in accordance with the Indirect Method prescribed in the Indian Accounting Standard-7 "Statement of Cash Flows".**

## **2.3 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the financial statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### **a) Revenue Recognition**

The Company's contracts with customers include promises to transfer goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as schemes, incentives, cash discounts, etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Estimates of rebates and discounts are sensitive to changes in circumstances and the Company's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future.

Costs to obtain a contract are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### b) Depreciation/amortisation and useful lives of property plant and equipment/intangible assets

Property, plant and equipment/intangible assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

### c) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

### d) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

### e) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

### f) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### 3. Property, Plant and Equipment as at 31st March 2018

(Rs. in Lakhs)

Particulars	Gross Block (at cost)				Depreciation / Amortisation				Net Block					
	As at 1st April 2017	Additions during the year	Deductions	Disposal of Subsidiary	Adjustment for Foreign Currency Translation	As at 31st March 2018	Upto 31st March 2017	For the year	Written Back	Deductions	Adjustment for Foreign Currency Translation	Up to 31st March 2018	As at 31st March 2018	As at 31st March 2017
A) Land														
a) Owned Assets														
a) Free Hold Land	1,199.79	-	-	-	80.09	1,279.88	-	-	-	-	-	-	1,279.88	1,199.79
B) Leased Assets														
a) Lease Hold Land	298.09	-	-	10.51	-	287.58	3.31	12.59	0.38	-	-	15.52	272.06	294.54
C) Building	2,293.12	143.22	24.99	75.22	214.13	2,550.27	85.53	100.40	3.07	3.95	48.75	227.67	2,322.60	2,207.16
D) Plant and Equipment	8,105.86	1,414.77	67.03	55.93	650.32	10,047.99	530.12	609.65	6.42	52.95	256.47	1,336.87	8,711.12	7,575.74
E) Furniture and Fixtures	97.12	16.31	-	6.78	7.63	114.28	12.90	9.43	0.85	-	2.62	24.09	90.18	84.22
F) Vehicles	121.20	99.47	5.97	1.76	9.36	222.29	21.56	27.16	0.99	5.67	6.35	48.41	173.88	99.64
G) Office Equipment	40.63	18.13	-	3.22	6.11	61.65	10.03	14.22	0.92	-	6.01	29.35	32.30	30.60
TOTAL	12,155.81	1,691.91	97.99	153.42	967.64	14,563.94	663.45	773.45	12.62	62.57	320.20	1,681.91	12,882.03	11,490.68

<b>4. Capital Work In Progress</b>	216.46	875.62	552.63	-	15.21	554.67	-	-	-	-	-	-	554.67	216.46
<b>TOTAL</b>	<b>216.46</b>	<b>875.62</b>	<b>552.63</b>	<b>-</b>	<b>15.21</b>	<b>554.67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>554.67</b>	<b>216.46</b>

### 5. Goodwill

On Merger of Cee Cee Engineering Industries Pvt. Ltd. (See Note No 44)	10.05	-	-	-	-	10.05	-	-	-	-	-	-	10.05	10.05
On Swaraj Technocrafts	7.49	-	-	7.49	-	-	-	-	-	-	-	-	-	7.49
<b>TOTAL</b>	<b>17.54</b>	<b>-</b>	<b>-</b>	<b>7.49</b>	<b>-</b>	<b>10.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.05</b>	<b>17.54</b>

### 6. Other Intangible Assets

Technical Know How	8.27	-	8.27	-	-	-	2.92	-	-	2.92	-	-	-	5.35
Software	4.48	20.02	4.48	-	-	20.02	1.68	0.33	-	1.68	0.01	0.33	19.69	2.80
<b>TOTAL</b>	<b>12.76</b>	<b>20.02</b>	<b>12.76</b>	<b>-</b>	<b>-</b>	<b>20.02</b>	<b>4.60</b>	<b>0.33</b>	<b>-</b>	<b>4.60</b>	<b>0.01</b>	<b>-</b>	<b>19.69</b>	<b>8.16</b>

### 7. Intangible Assets Under Development

Intangible assets under development														
ERP Software	7.50	12.52	20.02		-	-	-	-	-	-	-	-	-	7.50
<b>TOTAL</b>	<b>7.50</b>	<b>12.52</b>	<b>20.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.50</b>



## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### 3. Property, Plant and Equipment as at 31st March 2019

Particulars	Gross Block (at cost)				Adjustment for Foreign Currency Translation	As at 31st March 2019	Depreciation / Amortisation			Net Block				
	As at 1st April 2018	Additions during the year	Deductions	Disposal of Subsidiary			For the year	Upto 31st March 2018	Written Back	Deductions	Adjustment for Foreign Currency Translation	Up to 31st March 2019	As at 31st March 2019	As at 31st March 2018
A) Land														
a) Owned Assets														
a) Free Hold Land	1,279.88	273.13	-	-	39.89	1,592.90	-	-	-	-	-	1,592.90	1,279.88	
B) Leased Assets														
a) Lease Hold Land	287.58	4.18	-	-	-	291.76	15.52	4.49	-	-	-	271.75	272.06	
C) Building	2,550.27	1,507.55	-	-	111.84	4,169.66	227.67	114.66	-	-	26.30	3,801.02	2,322.60	
D) Plant and Equipment	10,047.99	2,599.79	28.09	-	372.55	12,992.24	1,336.87	736.65	-	5.36	138.25	2,206.42	10,785.82	
E) Furniture and Fixtures	114.28	11.26	-	-	4.45	129.98	24.09	9.95	-	-	1.47	35.51	90.18	
F) Vehicles	222.29	89.90	12.56	-	8.43	308.07	48.41	35.03	-	11.95	3.43	74.92	173.88	
G) Office Equipment	61.65	13.94	-	-	3.25	78.84	29.35	14.13	-	-	3.07	46.56	32.30	
TOTAL	14,563.94	4,499.75	40.65	-	540.40	19,563.45	1,681.91	914.92	-	17.30	172.52	2,752.05	16,811.38	12,882.03
4. Capital Work In Progress	554.67	4,079.40	1,441.34	-	9.64	3,202.36	-	-	-	-	-	-	3,202.36	554.67
TOTAL	554.67	4,079.40	1,441.34	-	9.64	3,202.36	-	-	-	-	-	-	3,202.36	554.67

<b>4. Capital Work In Progress</b>	554.67	4,079.40	1,441.34	-	9.64	3,202.36	-	-	-	-	-	-	3,202.36	554.67
<b>TOTAL</b>	<b>554.67</b>	<b>4,079.40</b>	<b>1,441.34</b>	<b>-</b>	<b>9.64</b>	<b>3,202.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,202.36</b>	<b>554.67</b>

### 5. Goodwill

On Merger of Cee Cee Engineering Industries Pvt. Ltd. (See Note No.44)	10.05	-	-	-	-	10.05	-	-	-	-	-	-	10.05	10.05
<b>TOTAL</b>	<b>10.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.05</b>	<b>10.05</b>

### 6. Other Intangible Assets

Software	20.02	10.32	-	-	0.52	30.86	0.33	4.20	-	-	0.02	4.55	26.31	19.69
<b>TOTAL</b>	<b>20.02</b>	<b>10.32</b>	<b>-</b>	<b>-</b>	<b>0.52</b>	<b>30.86</b>	<b>0.33</b>	<b>4.20</b>	<b>-</b>	<b>-</b>	<b>0.02</b>	<b>4.55</b>	<b>26.31</b>	<b>19.69</b>

### 7. Intangible Assets Under Development

Intangible assets under development														
ERP Software	-	3.25	-	-	-	3.25	-	-	-	-	-	-	3.25	-
<b>TOTAL</b>	<b>-</b>	<b>3.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.25</b>	<b>-</b>

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

Net Book Value Table	March 31,2019	March 31,2018
Property,Plant and Equipment	16,811	12,882
Capital Work in Progress	3,202	555
Assets Classified as held for sale	-	-

- Property plant and equipment are subject to charge to secure the Company's borrowings as discussed in Note 21
- The amount of borrowing cost capitalised during the year ended 31st March 2019 was INR 171.68 Lakhs (for the year 31st March 2018: INR 24.80 Lakhs) on account of capacity expansion of plant
- The amount of expenditures recognised in the carrying amount of property, plant and equipment in the course of its construction is Rs. 217.36 Lakhs (Previous Year Rs. 84.39 Lakhs)
- The amount of contractual commitments for the acquisition of property, plant and equipment;
- Part of Leasehold land admeasuring 15,700 Sq. Mtr. (Cost Rs. 10.07 Lakhs) and part of freehold land admeasuring 27,890 Sq. Mtr. (Cost Rs. 21.06 Lakhs) is stated at revalued amount of Rs. 272.00 Lakhs and Rs. 433.35 Lakhs respectively.
- The freehold land situated at Sector 1, Pithampur, District Dhar, Madhya Pradesh is agriculture land and the process of obtaining necessary approvals for it's diversion is pending before appropriate authorities.
- The leasehold land is stated at revalued amounts,  
Fair Value Measurements:
  - the effective date of the revaluation;
  - whether an independent valuer was involved;
  - for each revalued class of property, plant and equipment, the carrying amount that would have been recognised had the assets been carried under the cost model; and
  - the revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to shareholders.

### Financial Assets

#### 8. Investments

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>1 Investment in Equity Instruments</b>		
(a) 250 Equity Shares of Rs. 10/- Each of M/s Shamrao Vithaldas Co. Operative Society Limited, Mumbai (Fully Paid up)	0.03	0.03
<b>Total</b>	<b>0.03</b>	<b>0.03</b>
<b>Aggregate amount of quoted investments</b>	NIL	NIL
<b>Aggregate amount of unquoted investments</b>	0.03	0.03
<b>Aggregate amount of impairment in value of investments</b>	NIL	NIL

#### 9. Loans

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Security Deposits</b>		
Unsecured, Considered good	152.94	90.36
<b>Total</b>	<b>152.94</b>	<b>90.36</b>

#### 10. Deferred Tax Assets

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Deferred Tax (Liabilities)/Assets in relation to :		
Property, Plant & Equipment	43.81	235.03
<b>Total</b>	<b>43.81</b>	<b>235.03</b>

The losses incurred in the M/s Rajratan Thai Wire Co. Ltd. Upto 31.03.2016 have resulted in creation of Deferred Tax Assets as on 01-04-2016 of amount equivalent to Rs. 697.08 Lakhs. These losses have been set-off against profits earned in F.Y. 2016-17 equivalent to Rs. 1332.95 Lakhs ; in F.Y. 2017-18 equivalent to Rs. 1015.09 Lakhs and F.Y.2018-19 equivalent to Rs. 991.42 Lakhs. This has resulted in reversal of Deferred Tax Assets being recognised as Deferred Tax Expenses in F.Y. 2016-17 of equivalent to Rs. 266.99 Lakhs; in F.Y. 2017-18 equivalent to Rs. 186.04 Lakhs and in F.Y. 2018-19 equivalent to Rs. 189.33 Lakhs and foreign currency translation reserve for Rs. 10.91 Lakhs.

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### 11. Other Non-Current Assets

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Capital Advance</b>		
Unsecured, Considered good	315.28	103.82
<b>Total</b>	<b>315.28</b>	<b>103.82</b>

### 12. Inventories

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
(a) Raw Material:	1,751.84	1,998.35
(b) Work-in-Progress;	569.32	500.38
(c) Finished Goods;	1,526.49	709.24
(d) Stock in Transit	234.83	-
(d) Scrap	1.12	0.22
(e) Stores & Spares	437.86	366.74
<b>Total</b>	<b>4,521.47</b>	<b>3,574.92</b>

Inventories are valued at cost or net realisable value whichever is lower. The cost formulas used are Weighted Average Cost in case of Raw Material (Wire Rods) and First-in First Out ('FIFO') in case of Ancillary Raw Material and Stores & Spares. The cost of inventories comprises all cost of purchase including duties and taxes (other than those subsequently recoverable from the taxing authorities), conversion cost and other costs incurred in bringing the inventories to their present location and condition.

### 13. Trade Receivables

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Considered good-Secured	-	-
Considered good-Unsecured	7,178.08	7,211.58
Trade Receivables which have significant increase in Credit Risk	15.34	11.86
Less: Impairment for trade receivable*	(15.34)	(11.86)
Trade Receivables-Credit Impaired	26.59	-
Less: Credit Impaired and Written off	(26.59)	-
<b>Current trade receivable</b>	<b>7,178.08</b>	<b>7,211.58</b>

\*The provision for the impairment of trade receivable has been made on the basis of expected credit loss method and other cases based on management judgement.

### 14. Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Cash and Cash Equivalents</b>		
(a) Cash on hand including Indian and Foreign Currency	10.30	5.91
(b) Balances with Banks		
Current Accounts	5.85	271.84
<b>Total</b>	<b>16.15</b>	<b>277.75</b>

### 15. Bank Balances

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
(a) Fixed Deposit Account held as margin money (with maturity less than 12 Months)	383.15	310.56
(b) Unpaid Dividend Accounts	6.02	6.31
<b>Total</b>	<b>389.17</b>	<b>316.87</b>

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### 16. Loans Receivables

(Rs. in Lakhs)

Particulars	As at	
	31st March 2019	31st March 2018
(a) Loans Receivables Considered good-Secured	-	-
(b) Loans Receivables Considered good-Unsecured	499.56	198.22
(c) Loans Receivables which have significant increase in Credit Risk	-	-
(d) Loans Receivables-credit impaired	-	-
<b>Total</b>	<b>499.56</b>	<b>198.22</b>

### 17. Other Financial Assets

(Rs. in Lakhs)

Particulars	As at	
	31st March 2019	31st March 2018
Interest Accrued on Fixed Deposit	3.97	3.81
<b>Total</b>	<b>3.97</b>	<b>3.81</b>

### 18. Other Current Assets

(Rs. in Lakhs)

Particulars	As at	
	31st March 2019	31st March 2018
(a) Balance with Government Authorities	66.83	368.71
(b) Others (Includes Prepaid Expenses and advances to Suppliers and Staff)	82.29	255.18
<b>Total</b>	<b>149.12</b>	<b>623.89</b>

### 19. Share Capital

(Rs. in Lakhs)

a)

Particulars	As at		As at	
	31st March 2019		31st March 2018	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of Rs. 10/- each	8,150,000	815.00	8,150,000	815.00
<b>Issued, Subscribed &amp; fully paid up</b>				
Equity Shares of Rs. 10/- each	4,351,800	435.18	4,351,800	435.18
	<b>4,351,800</b>	<b>435.18</b>	<b>4,351,800</b>	<b>435.18</b>

(b) Par Value Per Share

10/-

10/-

c) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

Particulars	As at		As at	
	31st March 2019		31st March 2018	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	4,351,800	435.18	4,351,800	435.18
Shares outstanding at the end of the year	<b>4,351,800</b>	<b>435.18</b>	<b>4,351,800</b>	<b>435.18</b>

(d) Rajratan Investments Limited together with Rajratan Resources Private Limited, Mr. Sunil Chordia and his family holds 63.50% (Previous Year 63.50%) have control over the Group as defined in IndAS-110 Consolidated Financial Statements. M/s Rajratan Thai Wire Company Limited is wholly owned subsidiary of M/s Rajratan Global Wire Limited. Accordingly Rajratan Investments Ltd is considered as the Holding company of the Group.

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### 19. (Contd.)

#### e) Shares held by the holding Company / Associate Company and shareholders holding more than 5% shares in the Company

Particulars	As at 31st March 2019		As at 31st March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
Rajratan Investment Limited	7,82,881	17.99	7,82,881	17.99
Rajratan Resources Pvt Limited	3,81,420	8.76	3,81,420	8.76
Mrs. Sangita Chordia	5,80,433	13.34	5,80,433	13.34
Mr. Sunil Chordia	5,00,959	11.51	5,00,959	11.51
Mr. Yashovardhan Chordia	2,68,000	6.16	2,68,000	6.16
SBI Small and Midcap Fund	<b>3,41,751</b>	<b>7.85</b>	<b>2,70,000</b>	<b>6.20</b>

#### (f) Terms / Rights to Shareholders

##### (i) Equity Shares

##### (A) Voting

- (i) The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held.

##### Dividends

- (ii) The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval by the shareholders of the Company in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The total dividend paid for the year ended 31st March 2018 amounts to Rs. 65.27 Lakhs excluding Corporate Dividend Distribution Tax of Rs. 13.42 Lakhs (Previous Year Rs. 65.27 Lakhs) excluding Corporate Dividend Distribution Tax Rs. 13.28 Lakhs)

##### Liquidation

- (iii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amounts, in proportion to their shareholding.

### 20. Other Equity

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>(a) Securities Premium</b>		
Balance as per last financial statement	839.85	839.85
Add: Issued during the year	-	-
Less: Redeemed during the year	-	-
(a)	<b>839.85</b>	<b>839.85</b>
<b>(b) Revaluation Surplus</b>		
Balance as per Last Financial statement	412.29	412.29
Add: Revaluation of assets	-	-
Less: Deduction during the year	-	-
(b)	<b>412.29</b>	<b>412.29</b>
<b>(c) General Reserve</b>		
Balance as per last financial statement	5,575.00	4,975.00
Add: Additions during the year	600.00	600.00
(c)	<b>6,175.00</b>	<b>5,575.00</b>
<b>(d) Surplus/(Deficit) as per the Statement of Profit and Loss</b>		
Balance as per Last Financial statement	4,243.30	2,970.03
<b>Add:</b>		
Profit for the Year	2,670.94	1,709.12
Other Comprehensive Income for the Year	(11.68)	22.12
Change in Foreign Currency Translation Reserve	154.48	253.97
Adjustment on account of disposal of subsidiary	-	(33.37)
Transferred to General reserve	(600.00)	(600.00)
Dividend (Including Dividend Distribution Tax)	(78.69)	(78.57)
(d)	<b>6,378.35</b>	<b>4,243.30</b>
<b>Total (a+b+c+d)</b>	<b>13,805.49</b>	<b>11,070.44</b>

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### Non-Current Liabilities

#### 21. Financial Liabilities Borrowings

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Term Loans from Bank- Secured	3,964.01	391.56
<b>Total</b>	<b>3,964.01</b>	<b>391.56</b>

##### 21.1 SECURITY:

- Term loans from State Bank of India, Indore are secured by way of first charge and equitable mortgage of immovable properties including lease hold land situated at Plot No. 199, 200A & 200 B, Sector-1 Pithampur and hypothecation of all the movable machinery, present and future.
- Term loan from HDFC Bank Ltd is secured by way of second pari-passu charge and equitable mortgage of immovable properties including leased hold land situated at Plot no. 199, 200A & 200 B, Sector-1 Pithampur and hypothecation of all the movable machinery, present and future.
- Both the lender have pari passu charge on the stock of raw material, goods in process, finished and manufactured goods and book debts towards security for working capital facility.
- Term loans are also secured by personal guarantee of the Managing Director.

##### 21.2 SECURITY: Rajratan Thai Wire Company Limited (Wholly Own Subsidiary)

- The Company's Land, existing buildings and future improvements thereon, together with the machinery and equipments have been mortgaged with certain banks to secure working and long term loans from financial institutions.
- The Company's Land, Building and Plant & Machinery has been mortgaged to Bank of Ayudhya. Plc, Thailand to secure working capital and Term Loans from the bank.
- The Company's Residential building no 145/961 has been mortgaged to Bank of Ayudhya. Plc, Thailand to secure long term housing loan from Bank of Ayudhya., PLC Thailand.

##### 21.2 Terms of Repayment of Long Term Borrowings

###### I. Repayment schedule of Rajratan Global Wire Ltd.

(Rs. in Lakhs)

Particulars	Total Tenor of Loan	Frequency of Installment	No. of Installments Due as on 31.3.2019	Amount (Rs. In Lakhs) Outstanding	Rate of Interest
State Bank of India	5 years	Quarterly	4	253.33	10.95
State Bank of India	6 years	Quarterly	24	1,509.70	9.50
HDFC Bank Ltd	7 years	Monthly	84	1,987.31	8.95
HDFC Bank Ltd (BMW)	5 years	Monthly	60	56.79	8.60

###### II. Repayment schedule of Rajratan Thai Wire Co. Ltd., Thailand

(Rs. in Lakhs)

Particulars	Total Tenor of Loan	Frequency of Installment	No. of Installments Due as on 31.3.2019	Amount Outstanding THAI BAHT (In Lakhs )	Rate of Interest
UOB For Machines	5 years	Monthly	55	97.52	5.15
Toyota Leasing	3 years	Monthly	26	6.28	6.48
Toyota Leasing	4 years	Monthly	18	2.30	4.57
Tisco Bank Lease	3 years	Monthly	17	7.40	7.57
Honda Car Leasing	4 years	Monthly	33	3.34	3.58
Bank of Ayudhya	10 years	Monthly	101	32.95	5.85
Bank of Ayudhya	7 years	Monthly	84	328.39	MLR-0.75% i.e.4.85%

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### 22. Deferred Tax Liabilities (Net)

#### 22.1 Deferred Tax Liabilities

The Movement on the deferred tax account is as follows

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
At the Start of the Year	908.79	856.15
Charge/(Credit) to Statement of Profit & Loss	(43.89)	52.64
<b>Total</b>	<b>864.91</b>	<b>908.79</b>

### 23. Other Non Current Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Long term benefits for employees	4.91	2.77
<b>Total</b>	<b>4.91</b>	<b>2.77</b>

#### Current Liabilities

#### 24. Borrowings

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Secured</b>		
Loans repayable on demand		
(a) From Bank	8,667.64	7,317.46
<b>Unsecured</b>		
(b) Loans and advances from related parties (Refer Note No. 41)	219.51	452.77
(c) Loans and advances from Others	-	898.31
<b>Total</b>	<b>8,887.15</b>	<b>8,668.55</b>

#### Security

- Loans repayable on demand from State Bank of India, Indore and HDFC Bank Ltd., Indore are Working Capital Loans and are secured by hypothecation of entire current assets of the Company present and Future and by second charge on all the immovable properties of the Company and plant and machinery, machinery spares, tools and accessories and other movables both present and future. Such advances are also secured by personal guarantees of the Managing Director.
- The Working Capital Loans of Rajratan Thai Wire Company Limited have been secured by mortgaged the Company's land, plant, and machineries as well as personal guarantee by Directors of the Company.
- Loans payable on demand to Citi Bank NA and other loans and advances received from related parties are unsecured.
- The Company has been sanctioned following credit facilities that are undrawn as on Balance Sheet date and available for future operating activities and to settle capital commitment's (Rs. In Lakhs):-

S.No.	Name of Bank	Interest Rate	Nature of Facility	Amount Sanctioned	Amount Undrawn
1	HDFC Bank Ltd	8.95%	Term Loan	2500	513
2	State Bank of India	9.50%	Term Loan	2000	479
3	Citi Bank NA		Working Capital	1000	1000

### 25. Trade Payables

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises,	76.30	1.88
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,540.74	3,729.83
<b>Total</b>	<b>3,617.04</b>	<b>3,731.71</b>



## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### 25. (Contd.)

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31,2019 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act :		
	Principal	76.30	1.88
	Interest	0.10	-
ii)	The amount of interest credit by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.10	-
v)	The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act,2006	0.10	-

### 26. Other Financial Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Current Maturities of Long Term debts (See Note 21)	879.45	603.99
Interest accrued and due on borrowings	13.45	7.22
Interest accrued but not due on borrowings	11.82	-
Unpaid Dividends	6.02	6.31
<b>Total</b>	<b>910.73</b>	<b>617.52</b>

### 27. Other Current Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
(i) Advance received from Customers	20.94	184.88
(ii) Creditors for Capital Goods (Includes Rs. 168.70 Lakhs due to related party Refer Note No.41)	466.34	29.54
(iii) Statutory Liabilities	280.70	9.80
<b>Total</b>	<b>767.98</b>	<b>224.22</b>

### 28. Current Tax Liability

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Income Tax ( Net of advance Tax Rs. 523.88 Lakhs (Previous Year Rs. 352.83 Lakhs)	65.53	51.97
<b>Total</b>	<b>65.53</b>	<b>51.97</b>

The Income tax expenses for the year can be reconciled to the accounting profits as follows:

(Rs. in Lakhs)

Particulars	Year Ended 31st March 2019	Year Ended 31st March 2018
Profit Before Tax	2,418.89	1,331.42
Applicable Tax Rate	29.12%	34.608%
<b>Computed Tax Expenses</b>	<b>704.38</b>	<b>460.78</b>
Tax effect of:		
Ind AS Adjustments	14.01	17.93

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### 28. Current Tax Liability (Contd.)

The Income tax expenses for the year can be reconciled to the accounting profits as follows: (Rs. in Lakhs)

Particulars	Year Ended 31st March 2019	Year Ended 31st March 2018
Exempted Income/Income at Special Rate	-	166.04
Expenses disallowed	(292.74)	(7.96)
Deductions under chapter VIA	120.09	88.85
Tax at Special Rate on LTCG	-	27.12
(Short)/Excess Provision of earlier years	(4.53)	(5.41)
Interest on Shortfall of Advance Tax	10.22	1.66
<b>Current Tax Provision (A)</b>	<b>593.94</b>	<b>399.38</b>
Incremental Deferred Tax Liability on account of Tangible and Intangible Assets	(43.89)	52.64
<b>Deferred Tax Provision (B)</b>	<b>(43.89)</b>	<b>52.64</b>
<b>Tax Expenses recognised in Statement of Profit and Loss (A+B)</b>	<b>550.05</b>	<b>452.02</b>
<b>Effective Tax Rate</b>	<b>22.74%</b>	<b>33.95%</b>

As per IND AS 12 "Income Taxes", the disclosures as defined are given below:

(a) Current Tax Expense (Income)	589.41
(b) Any adjustments recognised in the period for current tax of prior periods	4.53
<b>Net Tax Expense</b>	<b>593.94</b>

(c) The amount of deferred tax expenses/ (income) relating to changes in tax rate or the imposition of new taxes regarding (Holding Company):- (Rs. in Lakhs)

Particulars	
Income due to change in rate	(144.11)
Deferred Tax Liability created due to increase in difference between carrying amount and tax base	100.23
Net expenses/(income) for the year	(43.89)

- (d) The aggregate current and deferred tax relating to items that are charged or credited directly to equity is Rs. 13.42 Lakhs.
- (e) Explanation for change in the applicable tax rate (s) compared to the previous accounting period:-  
As per Indian Tax Laws the applicable tax rate has changed from 34.608% in Financial Year 2017-18 to 29.12% in Financial Year 2018-19
- (f) The amount of income tax consequences of dividends to shareholders of the entity that is proposed but are not recognised as a liability in the financial statements is Rs. 17.89 Lakhs.

### 29. Revenue from Operations

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Sale of Manufactured Goods (Including Excise Duty) Previous year till 30.06.2017	47,606.27	34,642.96
Sale of Traded Goods	1,540.00	111.88
Other Operating Revenue	26.06	61.90
Sale of Raw Material	116.63	60.55
<b>Total</b>	<b>49,288.95</b>	<b>34,877.29</b>

### 30. Other Income

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Interest Income	82.16	103.26
Dividend from Long Term Investment	-	0.00
Profit on Sale of Fixed Assets	6.95	-
Gain on Exchange Fluctuation	80.89	380.61
Credit Balance Writtenback (Net)	-	6.32
<b>Total</b>	<b>170.00</b>	<b>490.19</b>

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### 31. Cost of Materials Consumed

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Wire Rod	32,056.87	21,636.79
Ancillary Raw material	559.43	445.08
<b>Total</b>	<b>32,616.30</b>	<b>22,081.87</b>

### 32. Purchase of Stock in Trade

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Wire Rod/wires	1,099.28	94.44
Others	364.70	9.90
<b>Total</b>	<b>1,463.98</b>	<b>104.34</b>

### 33. Change in inventories of Finished Goods and & Work-in-progress

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
<b>Opening Stock</b>		
Work-in-Progress	500.38	384.37
Scrap	0.22	-
Stock in Transit	119.09	137.87
Finished Goods	709.24	787.54
	1,328.93	1,309.77
<b>Closing Stock</b>		
Work-in-Progress	569.05	500.38
Scrap	1.12	-
Stock in Transit	234.83	119.09
Finished Goods	1,526.49	709.46
	2,331.49	1,328.93
<b>Increase/(Decrease) in inventories of Finished Goods &amp; Work In Progress(Total)</b>	<b>(1,002.57)</b>	<b>(19.15)</b>

### 34. Employee Benefits Expense

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Salary, Wages, Bonus & Allowances	2,178.98	1,914.46
Contribution to Provident Fund	89.75	78.69
Contribution to ESIC	25.71	22.94
Staff Welfare Expenses	87.18	70.21
Contribution to Gratuity Fund	19.13	28.27
Medical Expenses Reimbursement	10.68	12.92
<b>Total</b>	<b>2,411.43</b>	<b>2,127.48</b>

### 35. Finance Costs

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Interest	890.52	667.36
Other Borrowing Costs	190.16	199.94
<b>Total</b>	<b>1,080.68</b>	<b>867.30</b>

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### 36. Other Expenses

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Power & Fuel	3,885.33	3,002.05
Less: Recovery of energy generated by Windmill	(127.53)	(99.87)
	<b>3,757.80</b>	<b>2,902.18</b>
Consumable Stores	1,150.84	857.70
Packing Material	367.11	315.55
Freight Inward	282.54	241.02
Freight Outwards	1,198.03	919.05
Rent	5.76	5.76
Repair to Building	32.37	26.54
Repair to Machinery	423.03	458.71
Insurance	15.54	13.10
Rates & Taxes, excluding taxes on income	4.31	14.92
Provision for Doubtful Debts	3.48	1.92
Export Expenses	597.32	487.38
ETP Expenses	37.05	33.76
Legal & Professional charges	57.10	48.01
CSR Expenditure	29.77	25.50
Miscellaneous Expenses (Below 1% of revenue from Operations)	597.63	479.95
<b>Total</b>	<b>8,559.69</b>	<b>6,831.03</b>

### 37. Exceptional Items

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Profit on Sale of Shares	-	166.03
<b>Total</b>	<b>-</b>	<b>166.03</b>

### 38. Other Comprehensive Income

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
<b>(A) Items that will not be reclassified into profit or loss</b>		
(i) Change in Revaluation surplus	-	-
(ii) Remeasurement of defined benefit plans	(11.68)	22.12
<b>Total (A)</b>	<b>(11.68)</b>	<b>22.12</b>
<b>(B) Items that will be reclassified to profit or loss</b>		
(i) Exchange differences in translating the financial statements of foreign operation	154.48	253.97
<b>Total (B)</b>	<b>154.48</b>	<b>253.97</b>

### 39. As per IND AS 19 "Employee benefits", the disclosures as defined are given below:

#### Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

(Rs. in Lakhs)

Particulars	2018-19	2017-18
Employer's Contribution to Provident Fund For Holding Company Rajratan Global Wire Ltd	62.17	55.01
Social Security Welfare for subsidiary Rajratan Thai Wire Co Ltd.	27.58	23.68

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### 39. (Contd.)

#### Defined Benefit Plan

##### I) Reconciliation of opening and closing balances of Defined Benefit Obligation

(Rs. in Lakhs)

Particulars	Gratuity (Funded)	
	2018-19	2017-18
Defined Benefit Obligation at beginning of the year	256.13	244.30
Current Service Cost	17.70	17.24
Interest Cost	19.64	16.14
Past Servicer Cost (Vested benefits)	-	7.78
Benefits paid	(0.80)	(6.06)
Actuarial (Gain)/Loss	11.16	(23.27)
Defined Benefit Obligation at year end	303.82	256.13

##### Reconciliation of Opening and Closing balances of fair value of Plan Assets

(Rs. in Lakhs)

Particulars	Gratuity (Funded)	
	2018-19	2017-18
Fair value of Plan Assets at beginning of year	269.10	208.75
Adjustment to Opening Fair Value of Plan Asset	2.58	-
Expected Return on Plan Assets	21.03	14.36
Actuarial Gain/(Loss)	-	-
Employer Contribution	18.80	52.05
Benefits Paid	(0.80)	(6.06)
Fair value of Plan Assets at year end	310.70	269.10
Actual return on Plan Assets		

##### Reconciliation of fair Value of Assets and Obligations

(Rs. in Lakhs)

Particulars	Gratuity (Funded)	
	As at 31st March 2019	As at 31st March 2018
Fair value of Plan Assets	310.70	269.10
Present Value of Obligation	303.82	256.13
Amount recognised in Balance Sheet (Surplus/(Deficit))	6.88	12.97

##### Expenses recognised during the year

(Rs. in Lakhs)

Particulars	Gratuity (Funded)	
	2018-19	2017-18
In Income Statement		
Current Service Cost	17.70	17.24
Interest Cost	19.64	16.14
Past Service Cost	-	7.78
Return on Plan Assets	21.56	15.50
<b>Net Cost</b>	<b>58.90</b>	<b>56.66</b>
In Other Comprehensive Income		
Actuarial (Gain)/Loss	11.68	(22.13)
Return on Plan Assets		
<b>Net (Income)/Expenses for the period recognised in OCI</b>	<b>11.68</b>	<b>(22.13)</b>

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### 39. (Contd.)

(Rs. in Lakhs)

Particulars	Gratuity (Funded)	
	2018-19	2017-18
<b>Investment Details</b>		
Gratuity Fund (LIC of India)	310.70	269.10
GOI Securities	-	-
Public Securities	-	-
State Government Securities	-	-
Insurance Policies	-	-
Others (Including bank balances)	-	-
<b>Total</b>	<b>310.70</b>	<b>269.10</b>

Actuarial Assumptions	Gratuity (Funded)	
	2018-19	2017-18
<b>Mortality Table (ALM)</b>		
Discount Rate (Per Annum)	7.68%	7.68%
Rate of Escalation in Salary (Per annum)	7.00%	7.00%

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

Since the scheme funds are invested with LIC of India Expected Rate of Return is based on rate of return declared by fund managers.

The expected contribution for Defined Benefit Plan for the next financial year will be in line with FY 2018-19.

#### Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employment turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

(Rs. in Lakhs)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Change in discounting rate	272.47	340.42	228.20	288.86
Change in rate of salary Escalation	339.54	272.73	287.93	228.56

### 40. Earning per shares (EPS)

(Rs. in Lakhs)

Particulars	2018-19	2017-18
<b>a) Earning per Equity Share for Continued Operation</b>		
(i) Net Profit after Tax as per statement of Profit and Loss attributable to Equity Shareholders	2,670.94	1,711.74
(ii) Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	43,51,800	43,51,800
(iii) Weighted Average Potential Equity Shares	-	-
(iv) Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	43,51,800	43,51,800
(v) Basic Earnings Per Share (Rs.)	61.38	39.33
(vi) Diluted Earning Per Share (Rs.)	61.38	39.33
(vii) Face Value per Equity Share (Rs.)	10.00	10.00
<b>b) Earning per equity share for discontinued operation</b>		

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### 40. Earning per shares (EPS)

(Rs. in Lakhs)

Particulars	2018-19	2017-18
(i) Net Profit after Tax as per statement of Profit and Loss attributable to Equity Shareholders of Discontinued Operations	-	3.85
(ii) Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	43,51,800	43,51,800
(iii) Weighted Average Potential Equity Shares	-	-
(iv) Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	43,51,800	43,51,800
(v) Basic Earnings Per Share (Rs.)	-	0.09
(vi) Diluted Earning Per Share (Rs.)	-	0.09
(vii) Face Value per Equity Share (Rs.)	10.00	10.00
<b>c) Earning per Equity Share for Continued &amp; Discontinued Operation</b>		
(i) Basic Earnings Per Share (Rs.)	61.38	39.42
(ii) Diluted Earning Per Share (Rs.)	61.38	39.42
(iii) Face Value per Equity Share (Rs.)	10.00	10.00

### 41. Related Parties Disclosures

(i) As per Ind AS 24, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and also related parties with whom transactions have taken place and relationships:

Sr. No.	Name of Related Party	Relationship
1	Shri Sunil Chordia	Key Managerial Personnel (KMP)
2	Smt. Sangita Chordia	Key Managerial Personnel (KMP)
3	Shri Yashovardhan Chordia	Key Managerial Personnel (KMP)
4	Shri B. K. Reddy	Key Managerial Personnel (KMP)
5	Shri Rajesh Sharda	Key Managerial Personnel (KMP) (upto 16.06.2018)
6	Shri Hitesh Jain	Key Managerial Personnel (KMP)
7	Shri Shubham Jain	Key Managerial Personnel (KMP)
8	Smt. Mohini Chordia	Key Managerial Personnel (KMP)
9	Shri Purshottam Das Nagar	Non Independent Director
10	Shri Abhishek Dalmia	Non Independent Director
11	Shri Chandrashekhar Bobra	Independent Director
12	Shri Surendra Singh Maru	Independent Director
13	Shri Shiv Singh Mehta	Independent Director
14	Smt. Shantadevi Chordia	Relative of KMP
15	Ms Shubhika Chordia	Relative of KMP
16	Shri P. K. Reddy	Relative of KMP
17	M/s Rajratan Resources Pvt Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence
18	M/s Rajratan Investments Ltd.	Holding Company
19	M/s P.D. Nagar & Co.	Firm over which Shri Purshottam Das Nagar being non independent Director is able to exercise significant influence
20	M/s Semac Construction Technologies India LLP	LLP over which Shri Abhishek Dalmia being non independent Director is able to exercise significant influence



# Consolidated Notes of the Financial Statements for the year ended 31st March 2019

## 41. (Contd.)

### (ii) Transaction during the year with related parties:

(Rs. in Lakhs)

Sr. No.	Nature of Transactions	Key Managerial Personnel	Relatives of KMP	Enterprises Over Which Key Managerial Personnel	Enterprises Over Which Non Independent Director are able to exercise significant influence	Independent and Non Independent Director	Holding Company	Total
1	Rent	1.08 (1.08)	1.08 (1.08)		- (-)	- (-)	- (-)	2.16 (2.16)
2	Interest Paid	26.77 (34.66)	- (1.31)	0.40 (-)	- (-)	15.03 (12.60)	3.06 (-)	45.26 (48.57)
3	Remuneration	246.21 (195.49)	18.62 (27.99)		- (-)			264.83 (223.48)
4	Unsecured Loan received	174.97 (594.70)	- (19.03)	5.70 (-)	- (-)	35.00 (-)	40.50 (-)	256.17 (613.73)
5	Unsecured Loan Repaid	320.00 (559.11)	- (-)	- (-)	- (-)	45.00 (-)	- (-)	365.00 (559.11)
6	Sitting Fees	- (-)	- (-)	- (-)	- (-)	3.50 (2.90)	- (-)	3.50 (2.90)
7	Purchase of Tangible Assets	- (-)	- (-)	- (-)	2,126.21 (-)	- (-)	- (-)	2126.21 (-)
8	Counsultancy Charges	- (-)	- (-)		9.00 (9.25)	- (-)	- (-)	9.00 (9.25)

### (iii) Balances as at 31st March 2019

1	Unsecured Loan	227.21 (310.83)	- (28.58)	6.06 (-)	- (-)	116.89 (113.36)	43.26 (-)	393.42 (452.77)
2	Creditors for Capital Goods	- (-)	- (-)	- (-)	168.70 (-)	- (-)	- (-)	168.70 (-)
3	Deposit for Rented Property	4.50 (4.50)	- (-)	- (-)	- (-)	- (-)	- (-)	4.50 (4.50)
4	Trade Payables	- (-)	- (-)	- (-)	- (-)	8.10 (8.70)	- (-)	8.10 (8.70)

### (iv) All the credit facilities availed by the Company is secured by personal guarantee of the Directors.

### (v) Disclosure in Respect of Major Related Party Transactions during the year:

(Rs. in Lakhs)

	Particulars	Relationship	2018-19	2017-18
<b>1</b>	<b>Rent</b>			
	(i) Smt. Sangita Chordia	KMP	1.08	1.08
	(ii) Smt. Shantadevi Chordia	Relatives of KMP	1.08	1.08
<b>2</b>	<b>Interest Paid</b>			
	(i) Shri Sunil Chordia	KMP	14.97	27.16
	(ii) Smt. Sangita Chordia	KMP	2.49	5.13
	(iii) Shri Yashowardhan Chordia	KMP	4.85	2.36
	(iv) Smt. Mohini Chordia	Relatives of KMP	4.46	1.31
	(v) Shri Purshottam Das Nagar	Non Independent Director	15.04	12.60
	(vi) Rajratan Resources Pvt Ltd	Enterprises Which KMP are able to exercise significant influence	0.40	0.00
	(vii) Rajratan Investment Pvt Ltd	Holding Company	3.06	0.00
<b>3</b>	<b>Remuneration</b>			
	(i) Shri Sunil Chordia	KMP	78.80	78.80
	(ii) Smt Sangita Chordia	KMP	16.88	13.52
	(iii) Shri Yashowardhan Chordia	KMP	50.27	43.22
	(iv) Shri B. K. Reddy	KMP	44.05	39.63
	(v) Shri Rajesh Sharda	KMP	14.49	18.66
	(vi) Shri Hitesh Jain	KMP	10.63	1.67

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### 41. (Contd.)

(Rs. in Lakhs)

	Particulars	Relationship	2018-19	2017-18
	(vii) Smt. Mohini chordia	KMP	25.52	20.49
	(viii) Shri Shubham Jain	KMP	5.55	3.93
	(ix) Ms Shubhika Chordia	Relatives of KMP	4.27	-
	(x) Shri P.K. Reddy	Relatives of KMP	14.34	7.50
<b>4</b>	<b>Unsecured Loan received</b>			
	(i) Shri Sunil Chordia	KMP	36.67	392.50
	(ii) Smt. Sangita Chordia	KMP	58.06	172.77
	(iii) Shri Yashowardhan Chordia	KMP	56.45	29.43
	(iv) Smt. Mohini Chordia	KMP	23.79	19.03
	(v) Shri Purshottam Das Nagar	Non Independent Director	35.00	-
	(vi) Rajratan Resources Pvt Ltd	Enterprises Which KMP are able to exercise significant influence	5.70	-
	(vii) Rajratan Investments Pvt Ltd	Holding Company	40.50	-
<b>5</b>	<b>Unsecured Loan Repaid</b>		-	-
	(i) Shri Sunil Chordia	KMP	234.00	413.98
	(ii) Smt. Sangita Chordia	KMP	86.00	145.14
	(iii) Shri Purshottam Das Nagar	Non Independent Director	45.00	-
<b>6</b>	<b>Purchase of Tangible Assets</b>			
	M/s Semac Construction Technologies India LLP	LLP over which Shri Abhishek Dalmia being non independent Director is able to exercise significant influence	2,126.21	-
<b>7</b>	<b>Consultancy Charges</b>			
	M/s P. D. Nagar & Co.	Firm over which Shri Purshottam Das Nagar being non independent Director is able to exercise significant influence	9.00	9.25
<b>8</b>	<b>Sitting Fees</b>			
	(i) Shri Purshottam Das Nagar	Non Independent Director	1.00	0.80
	(ii) Shri Chandrashekhar Bobra	Independent Director	0.80	0.60
	(iii) Shri Abhishek Dalmia	Non Independent Director	0.40	0.40
	(iv) Shri Surendra Singh Maru	Independent Director	0.90	0.80
	(v) Shri Shiv Singh Mehta	Independent Director	0.40	0.30

### (vi) Balances as at 31st March 2019

(Rs. in Lakhs)

	Particulars	Relationship	2018-19	2017-18
<b>1</b>	<b>Unsecured Loan</b>		-	-
	(i) Shri Sunil Chordia	KMP	46.03	229.89
	(ii) Smt Sangita Chordia	KMP	7.27	32.96
	(iii) Shri Yashowardhan Chordia	KMP	115.46	47.98
	(iv) Smt Mohini Chordia	KMP	58.46	28.58
	(v) Shri Purshottam Das Nagar	Non Independent Director	116.89	113.36
	(vi) M/s Rajratan Resources Pvt Ltd	Enterprises Which KMP are able to exercise significant influence	6.06	-
	(vi) M/s Rajratan Investments Ltd	Holding Co.	43.26	-
<b>2</b>	<b>Creditors for Capital Goods</b>		-	-
	(i) M/s Semac Construction Technologies India LLP	LLP over which Shri Abhishek Dalmia being non independent Director is able to exercise significant influence	168.70	-
<b>3</b>	<b>Trade Payables</b>			
	M/s P. D. Nagar & Co.	Firm over which Shri Purshottam Das Nagar being non independent Director is able to exercise significant influence	8.10	8.70

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### 41. (Contd.)

#### 41.1 Compensation of Key Management Personnel

The remuneration of director and other member of Key Management personnel during the year was as follows:-

(Rs. in Lakhs)

Particulars	2018-19	2017-18
Short-term benefits	264.83	227.42
<b>Total</b>	<b>264.83</b>	<b>227.42</b>

### 42. Contingent Liabilities and Commitments

(Rs. in Lakhs)

Particulars	2018-19	2017-18
<b>I) Contingent Liabilities</b>		
<b>A) Claims against the Company/disputed liabilities not acknowledged as debts</b>	NIL	NIL
<b>B) Guarantees</b>		
(i) Guarantees to Bank and Financial Institutions against credit facilities extended to third parties and other Guarantees	NIL	NIL
(ii) Corporate Guarantee for the credit facilities availed by M/s Rajratan Thai wire co. Ltd. Thailand the Wholly Owned subsidiary of the Company. (Bank has released guarantee on 27th April 2018)	NIL	US\$ 8.30 Mn
(iii) Standby Letter of Credit issued to M/s Rajratan Thai Wire Co. Ltd., Thailand (Wholly Owned Subsidiary) under Clean Credit facilities sanctioned to Company by CitiBank NA.	US\$ 1.4 Mn	NIL
(iv) Letter of Guarantees issued by local banks to Rajratan Thai Wire Company Limited	TBH 59.53 Mn	TBH 4.54 Mn
<b>C) Other Money for which the Company is contingently liable</b>		
(i) Liability in respect of bills discounted with Banks (including third party bills discounting)	NIL	NIL

- (ii) Income Tax & Excise appeals for which no provision is considered required as the Company is hopeful of successful outcome in the appeals. There are uncertainties about the amount or timing of those outflows as it depend on completion of the appellate process. There is no assumption made and the amount is based on demand raised by the Departments.

(Rs. in Lakhs)

Particulars	Financial year	Rs. In Lakhs	Forum Where dispute is pending
Income Tax	2014-15	7.93	CIT (A) -II Indore
	2015-16	8.15	CIT (A) -II Indore
Central Sales Tax	2011-12	5.07	Appellate Board, Bhopal
	2012-13	2.48	Appellate Board, Bhopal
	2013-14	7.92	Appellate Board, Bhopal
	2015-16	1.81	Before Commercial Tax Officer,Villupuram
VAT	2014-15	4.32	Additional CCT(A), Indore
Service Tax	04/14 to 02/15 & 03/15 to 12/15	46.81	Customs, Central Excise & Service Tax Appellate, Tribunal, New Delhi
Excise	2005-06	2.70	CESTAT,Mumbai
	02/2010 to 11/2010 & 12/2010 to 08/2011	0.81	CESTAT,New Delhi
	2017-2018	6.58	Asst. Commissioner , Pithampur
	Apr'2016 to June 17	2.99	Appeal filed before CESTAT New Delhi

- (iii) Madhya Pradesh Paschim Khestra Vidhyut Vitran Company Ltd. (MPPKVCL) has raised a supplementary bill to the Company for Rs. 2,02,25,213/- for non-adjustment of solar units in Time Of Day (TOD) manner. The demand is not accepted by the Company and appeal was filled before Electricity Consumer Grievances Redressal Forum. The matter is sub-judice and stay has been granted by Hon'ble M.P. High Court against the demand. The management is of opinion that the Company has got indemnity through Solar Power Purchase Agreements from the suppliers. The Company has also raised counter claims to such suppliers of Solar Power and the management is confident that there will be no probable outflow of resources on this account.

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### 42. (Contd.)

#### (II) Commitments

(Rs. in Lakhs)

Particulars	2018-19	2017-18
(A) Estimated amount of contracts remaining to be executed on capital account and not provided for:	2,325.87	1,028.64

### 43. PROMOTIONAL PRIVILEGES

- 1) The wholly owned subsidiary Rajratan Thai Wire Company Limited has been granted promotional privileges approved by the Board of Investment under the Investment Promotion Act 8.E.2520 for manufacturing TYRE BEAD WIRE (15775 MT per annum), vide their Certificate No.61-0026-1-00-1-0 dated 25th July 2017. The edit application for change in quantity to 14,575 MT per annum is under consideration by BOI. subject to certain conditions, the main privileges include the following:

- Permission to bring into the Kingdom, foreign nationals who are skilled workers or experts.
- Permission to own land as approved by the Board.
- Exemption from payment of import duties on machineries as approved by the Board.
- Exemption from import for raw material and necessary materials needed to be import from overseas for using in production of products for export for the period of one year beginning from the first import.
- Exemption from import duty for products imported by the promoted person for reexportation for the period of one year from the first import.
- Permission to bring or remit money in foreign currency out of the Kingdom.
- Exemption from payment of juristic person income tax for net profit derived from the promoted business with the total of not exceeding 100% of the investment fund excluding land and working capital for the period of eight years from the date the income is accrued to the said business.
- Exemption from income tax on dividends paid from the profits of the promoted operations for which corporate income tax is exempted, throughout the corporate income tax exemption.

Company has started Commercial production w.e.f. November 2017, which will be considered as reference date for calculation of Tax-Free Income from Promoted operations as per BOI Promotion Certificate No. 61-0026-1-00-1-0 dated July 25, 2017.

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

- Permission to own land as approved by the Board.
- Exemption from import duty on imported machinery for use in production as approved by Board.
- Exemption from corporate income tax on net profits for a period of 7 years commencing as from the date of first earning operating income. The tax exempted shall not over 100% of the total investments excluded from cost of land and related working capital and the exemption is unable to apply to the income earned from selling of Tyre Bead Wire which has not been drawing or stretching.
- Exemption from income tax on dividends paid from the profits of the promoted operations for which corporate income tax is exempted, throughout the corporate income tax exemption.
- Exemption from import duty on essential raw materials and supplies imported for manufacturing products for export sale for a period of 1 year commencing as from the first date of importing of such materials.

Company had started Commercial production w.e.f. 1st June 2008 for Part Production Process and started Commercial Production w.e.f. 1st August 2008 for its Full Production Process, which will be considered as reference date for calculation of Tax-Free Income from Promoted operations as per BOI Promotion Certificate No. 1080(2)/2550 dated January 26, 2007. The BOI privilege period for tax-free income from promoted operations ended on 31st July 2015.

44. Disclosure required as per Ind AS 103 Business Combinations, Appendix C - Business Combination of Entities under Common Control on account of merger of M/s Cee Cee Engineering Industries Private Limited (Wholly Owned Subsidiary) with M/s Rajratan Global Wire Limited (Holding Company):-

M/s Rajratan Global Wire Limited (the Holding Company) acquired all the shares of M/s Cee Cee Engineering Industries Private Limited on 15th August 2016 making it a Wholly Owned Subsidiary (WOS). The WOS has been merged with the

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### 44. (Contd.)

Holding Company vide order dated 16th January 2018 of the Hon'ble National Company Law Tribunal, Ahmedabad Bench with 1st April 2017 as the Appointed Date. As per the approved Scheme all the assets and liabilities of the WOS appearing in the Balance Sheet as at 31st March 2017, drawn up as per Ind AS, have been merged with the Holding Company as on 1st April 2017. The Method of Accounting is Pooling of Interest Method, in accordance with Ind AS 103 Business Combinations, Appendix C - Business Combination of Entities under Common Control. However the Revaluation Reserve appearing in the Balance Sheet of the WOS has been adjusted against the goodwill on amalgamation as the price paid for the shares in August 2016 was for the fair value of the land which is appearing in the balance sheet at revalued amount with corresponding credit to the Revaluation Reserve. Further as per para 9(iii) of the said Appendix, the financial information of the previous year have been restated with effect from 15th August 2016, as if the Business Combination had occurred on that date. Accordingly the financial performance from 15th August 2016 to 31st March 2017 and the financial position as on 31st March 2017 have been included in the standalone financial statements of the Holding Company and not in the Consolidated Financial Statements of the Rajratan Group.

The goodwill is allocated to factory building situated at Pithampur District Dhar together with all Plant & Machinery located therein, which is considered as one Cash Generating Unit (CGU) for the purpose of testing impairment. No impairment loss has been recognised during the year.

### 45. Disclosures in accordance with Ind AS 105 Non-current Assets Held for sale and Discontinued Operations

The parent Company was holding 68% equity in M/s Swaraj Technocrafts Pvt. Ltd., another company incorporated in India, which was divested in August 2017. This erstwhile subsidiary was engaged in manufacturing of Wire drawing machinery and tools. The Consolidated Financial Statements have been prepared as required u/s 129 (5) of the Companies Act, 2013.

The financial information of erstwhile subsidiary M/s Swaraj Technocrafts Pvt. Ltd. has been disclosed as Discontinued Operations for the previous period ended on 31.03.2018.

Particulars	(Rs. in Lakhs)	
	For The Year Ended 31st March 2019	For the Period ended 31st August 2017
<b>Income</b>		
I. Revenue from operations	-	649.25
II. Other Income	-	14.88
<b>Total Revenue (I+II)</b>	<b>-</b>	<b>664.12</b>
<b>III. Expenses</b>		
Cost of Material Consumed		
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	-	381.03
Excise Duty	-	138.54
Employee benefits expense	-	-
Finance costs	-	73.18
Depreciation and amortization expense	-	4.75
Other expenses	-	7.11
<b>Total Expenses</b>	<b>-</b>	<b>56.11</b>
<b>Profit/(Loss) before Exceptional items and tax</b>	<b>-</b>	<b>660.71</b>
IV.Exceptional Items		
<b>Profit/(Loss) before tax</b>	<b>-</b>	<b>3.42</b>
<b>VI. Tax expense</b>		
Current Tax		
Deferred Tax	-	(0.96)
<b>Profit/(Loss) for the Year</b>	<b>-</b>	<b>4.38</b>
<b>Profit / (Loss) for the year of Discontinued Operations</b>		
Tax Expenses Discontinued Operations		
Current Tax		
Deferred Tax		
<b>Profit / (Loss) for the year of Discontinued Operations (after tax)</b>	<b>-</b>	<b>-</b>

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### 45. (Contd.)

(Rs. in Lakhs)		
Particulars	For The Year Ended 31st March 2019	For the Period ended 31st August 2017
Profit / (Loss) for the period	-	4.38
<b>Other Comprehensive Income</b>		
A (i) Items that will not be reclassified to profit or loss	-	(2.62)
(ii) Income tax relating to items that will not be reclassified to profit or loss		
B (i) Items that will be reclassified to profit or loss		
(ii) Income tax relating to items that will be reclassified to profit or loss		
<b>Total Comprehensive Income for the period (Comprising Profit(Loss) and Other Comprehensive Period for the period</b>	<b>-</b>	<b>1.76</b>

The amount of assets and liabilities pertaining to the Wire Drawing Machine business are as follows:

(Rs. in Lakhs)		
Particulars	As at 31st March 2019	As at 31st August 2017
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property Plant and Equipment	-	144.27
Other Intangible Assets	-	-
Financial Assets		
(i) Loans	-	0.98
Other non- current assets	-	-
	-	145.25
<b>CURRENT ASSETS</b>		
<b>Inventories</b>	-	<b>252.36</b>
<b>Financial Assets</b>		
(i) Trade Recievables	-	206.05
(ii) Cash and Cash Equivalents	-	1.12
(iii) Bank balances other than (ii) above	-	8.81
(iv) Other financial assets	-	1.09
Other Current Assets	-	120.69
	-	<b>590.14</b>
<b>TOTAL ASSETS</b>	<b>-</b>	<b>735.39</b>
<b>EQUITIES AND LIABILITIES</b>		
Equity		
Equity Share Capital	-	17.50
Other Equity	-	91.49
	-	<b>108.99</b>
<b>NON CURRENT LIABILITIES</b>		
Deferred Tax Liabilities (Net)	-	13.72
	-	<b>13.72</b>
<b>CURRENT LIABILITIES</b>		
Financial Liabilities		
(i) Borrowings	-	72.64
(ii) Trade Payables		-
Total Outstanding dues of Micro & Small enterprises		-
Total Outstanding dues of Others	-	142.32
Other current liabilities (Net)	-	368.80
Provisions	-	28.93
	-	<b>612.68</b>
<b>TOTAL EQUITIES AND LIABILITIES</b>	<b>-</b>	<b>735.39</b>

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### 46. Capital Management

The Company adheres to a robust Capital Management framework which is underpinned by the following guiding principles:

- Maintain financial strength to attain AAA ratings domestically and investment grade ratings internationally.
- Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk while meeting investment requirements.
- Proactively manage group exposure in forex, interest and commodities to mitigate risk to earnings.
- Leverage optimally in order to maximize shareholder returns while maintaining strength and flexibility of the Balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

The gearing ratio at end of the reporting period was as follows.

Particulars	(Rs. in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Non-Current Liabilities (Other than DTL)	3,964.01	391.56
Current Maturities of Long Term debts	879.45	603.99
Gross Debt	4,843.46	995.55
Cash and Cash Equivalents	16.15	277.75
Net Debt (A)	4,827.31	717.80
Total Equity (As per Balance Sheet) (B)	14,240.67	11,505.62
<b>Gearing Ratio (A/B)</b>	<b>0.34</b>	<b>0.06</b>

### 47. FINANCIAL INSTRUMENTS

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of investment in Equity Shares of Co-Operative Bank is measured at market repurchase price which is the best available fair value.
- The fair value of Forward Foreign Exchange contracts and is determined using forward exchange rates at the balance sheet date.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

#### Fair Value measurement hierarchy:

Particulars	(Rs. in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>Financial Assets</b>		
<b>At Amortised Cost</b>		
Trade Receivables	7,178.08	7,211.58
Cash and Bank Balances	405.32	594.62
Loans	652.49	288.58
Other Financial Assets	3.97	3.81
<b>At FVTPL</b>		
Investments	0.03	0.03
<b>At FVTOCI</b>		
Investments		
<b>Financial Liabilities</b>		
Borrowings	8,667.64	7,317.46
Trade Payables	3,617.04	3,731.71
Other Financial Liabilities	1,130.24	1,968.60

#### Foreign Currency Risk:

The following table shows foreign currency exposures in USD, EUR and GBP on financial instruments at the end of the reporting period. The exposure to foreign currency for all other currencies are not material.



## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### 47. (Contd.)

#### Foreign Currency Exposure

Particulars	As at 31st March 2019		As at 31st March 2018	
	USD	EUR	USD	EUR
Loans Receivable	-	-	-	-
FCNR (B) DL	-	-	-	-
Working Capital Demand Loan (in Foreign Currency)	-	-	-	-
Trade and Other Payables	4.79	-	30.74	-
Trade and Other receivables	(11.75)	(1.72)	(12.84)	(0.42)
Buyers Credit	6.01	-	-	-
Derivatives	-	-	-	-
- Forwards & Futures	-	-	-	-
<b>Net Exposure</b>	<b>(0.95)</b>	<b>(1.72)</b>	<b>17.91</b>	<b>(0.42)</b>

The net exposures have natural hedges in the form of future foreign currency earnings and earnings linked to foreign currency for which the Company may follow hedge accounting.

Sensitivity analysis of 1% change in exchange rate at the end of reporting period net of hedges is as under:-

#### Foreign Currency Sensitivity

Particulars	As at 31st March 2019		As at 31st March 2018	
	USD	EUR	USD	EUR
1% Depreciation in INR				
Impact on P & L	(0.66)	(1.34)	11.67	(0.34)
<b>Total</b>	<b>(0.66)</b>	<b>(1.34)</b>	<b>11.67</b>	<b>(0.34)</b>
1% Appreciation in INR				
Impact on P & L	0.66	1.34	(11.67)	0.34
<b>Total</b>	<b>0.66</b>	<b>1.34</b>	<b>(11.67)</b>	<b>0.34</b>

#### Interest Rate Risk

The exposure of the Company's borrowing and derivatives to interest rate changes at the end of the reporting period are as follows

#### Interest Rate Exposure

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Loans</b>		
Long Term Loan	3,964.01	391.56
Short Term Unsecured Loan	219.51	1,351.08
Short Term Loan (including Current Maturity of Long Term Loan)	9,547.09	7,921.46
<b>Total</b>	<b>13,730.61</b>	<b>9,664.10</b>

Impact on Interest Expenses for the year on 1% change in Interest rate

#### Interest rate Sensitivity

(Rs. in Lakhs)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Up move	Down move	Up move	Down move
Impact on Equity				
Impact on P & L	135.11	135.11	83.13	83.13
<b>Total Impact</b>	<b>135.11</b>	<b>135.11</b>	<b>83.13</b>	<b>83.13</b>

#### Commodity Price Risk

Commodity price risk arises due to fluctuation in prices of raw material. The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in raw material prices and freight costs.

The Company's commodity risk is managed centrally through well-established trading operations and control processes. In accordance with the risk management policy, the Company carefully calibrates the timing and the quantity of purchase

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### 47. (Contd.)

#### Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the Company. Credit risk arises mainly from the outstanding receivables from customers.

The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The credit ratings/market standing of the customers are evaluated on a regular basis.

#### Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities. The Company maintains adequate cash and cash equivalents alongwith the need based credit limits to meet the liquidity needs.

#### Hedge Accounting

The Company avails Foreign Currency Demand Loans from bank time to time to reduce the interest cost. The Company takes forward cover to hedge against the foreign currency risks. The amount of foreign currency risks and forward cover are as under:

(Rs. in Lakhs)		
Particulars	31st March 2019	31st March 2018
Foreign Currency Loan	NIL	NIL
Forward Cover	NIL	NIL

The forward cover was an effective hedge.

#### Operating Leases

(a) the total of future minimum lease payments under non-cancellable operating leases for each of the following periods:

(i) not later than one year;	5,76
(ii) later than one year and not later than five years;	NIL
(iii) later than five years.	NIL

b) the total of future minimum sublease payments expected to be received under non-cancellable subleases at the end of the reporting period. NIL

c) lease and sublease payments recognised as an expense in the period, with separate amounts for minimum lease payments, contingent rents, and sublease payments. 5,76

(d) The Company pays rent for office premises at Indore and Mumbai. The lease period is for 11 months with option to renew. The payments for office premises at Indore are to related parties. None of the lease agreements have any restrictions concerning dividend, additional debt and further leases.

(e) The leasehold land of the Company situated at Plot no. 200 A & B Sector,1, Pithampur Dist Dhar has been obtained from MPAKVN (Indore) Limited on a lease of 99 years from 1989 & 1990 respectively and Plot no. 199 Sector,1 Pithampur Dist Dhar has been obtained from MPAKVN (Indore) Limited on a lease of 30 years from 31/12/1997.

(i) the existence and terms of renewal or purchase options and escalation clauses; and

(ii) None of the lease arrangements have any restrictions concerning dividends, additional debt and further leasing.

48. In accordance with Ind AS 108-"Operating Segments",The Group has identified "Tyre Bead Wire" as the only reportable segment.

(Rs. in Lakhs)		
Revenue from External Customers	2018-19	2017-18
With in India	34,164.83	23,814.38
Outside India	15,124.12	10,643.23
<b>Total</b>	<b>49,288.95</b>	<b>34,457.61</b>

#### Details of Revenue from Single Customer more than 10%

Revenues from 3 customers of bead wire segment amounting to Rs. 52.68 crores (Previous Year 39.43 Crores), Rs. 69.21 Crores (Previous Year Rs. 47.93 Crores) and Rs. 48.93 Crores (Previous Year Rs. 39.22 Crores) each exceeding 10% of the total revenue of the Company for FY 2018-19.

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### 48. (Contd.)

(Rs. in Lakhs)

Non Current Assets	2018-19	2017-18
(Other than financial instruments; Post Employment benefits; Deffered Tax Assets; and right arising under insurance contracts)		
<b>With in India</b>		
Property, Plant & Equipments	7,816.44	4,966.54
Capital Work in Progress	1,916.38	350.02
Security Deposits	111.36	88.89
Capital Advance	315.29	7.16
<b>Outside India</b>		
Property, Plant & Equipments	8,994.95	7,915.49
Capital Work in Progress	1,285.98	204.64
Security Deposits	41.58	1.47
Capital Advance	-	96.66
<b>Total</b>	<b>10,159.47</b>	<b>5,412.62</b>

### 49. Details of Subsidiary

The detail of information of subsidiaries required to be disclosed pursuant to clause (iv) of General Circular No.2/2011 dated 8th February, 2011 issued by Government of India Ministry of Corporate Affairs, are as under:-

(Rs. in Lakhs)

Name of Subsidiary	Rajratan Thai Wire Co. Ltd. 18-19
Paid Up Share Capital	5,672.12
Reserves and Surplus	(518.95)
Total Assets	13,588.49
Total Liabilities	13,588.49
Investments	-
Turnover	18,406.41
Profit Before Taxation	991.42
Provision for Tax (Current Tax)	-
Deferred Tax	189.33
Profit After Taxation	802.09
Proposed Dividend	-

The above figures of Rajratan Thai Wire Co. Ltd. have been translated from Thai Baht into Indian National Rupee using the following basis:-

The assets and liabilities, both monetary and non monetary at the closing rate which was 1 Thai Baht= Rs. 2.184358

Income and expenses at the average rate which was 1 Thai Baht= Rs. 2.162791 Supplementary Information.

The detail of information of subsidiaries required to be disclosed pursuant to Schedule III of the Companies Act 2013, of enterprises consolidated as subsidiary

(Rs. in Lakhs)

Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated total comprehensive income	Amount
<b>Parent Indian</b>								
Rajratan Global Wire Ltd., India	90.40%	12,873.03	69.97%	1,868.84	-8.18%	(11.68)	66.00%	1,857.16
<b>Subsidiary Foreign</b>								
<b>Foreign</b>								
Rajratan Thai Wire Company Ltd. Thailand	9.60%	1,367.64	30.03%	802.09	108.18%	154.48	34.00%	956.57

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

### 50. DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186(4) OF THE COMPANIES ACT, 2013.

(Rs. in Lakhs)

Sr. No.	Particulars	Name of Entity	Relations	Purpose	Amount
1	Loan Given*	Inter Corporate Deposit	-	Business Purpose	Rs. 448.00 Lakhs
2	Standby Letter of Credit Given	Rajratan Thai wire Co. Ltd.	Wholly Owned Subsidiary	Stand by Letter of Credit for the credit facilities availed by the M/s Rajratan Thai Wire Co. Ltd, Thailand Wholly owned subsidiary of the Company	US \$ 1.40 Mn
3	Investments Made	Rajratan Thai wire Co. Ltd. Shamrao Vithaldas Co Operative Society Ltd.	Wholly Owned Subsidiary None	Investments	Rs. 3,837.58 Lakhs

#Out of the unsecured inter corporate loan of Rs. 448.00 Lakhs given during the year to various parties. The outstanding balance as on 31st March 2019 is Rs. 272.42 Lakhs.

51. The research and development expenditure for the year ended March, 2019 amounts to Rs. 84.46 Lakhs

#### 52. Events after the Reporting Period

The Board of Directors of Holding Company have recommended dividend of Rs. 2/- Per fully paid up equity share of Rs. 10/- each, aggregating Rs. 104.93 Lakhs Including Rs. 17.89 Lakhs Dividend Distribution Tax for the financial year 2018-19, which is based on relevant share capital as on March 31, 2019. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date/book closure.

#### 53. Standards issued but not yet effective up to the date of Financial Statements

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

I) Ind AS 116 Leases

Ind AS 116 Leases was notified by MCA on 30th March 2019 and it replaces Ind AS 17 Leases, including appendices thereto.

Ind AS 116 is effective for annual periods beginning on or after 1st April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

## Consolidated Notes of the Financial Statements for the year ended 31st March 2019

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from 1st April 2019. The impact on adoption of Ind AS 116 on the financial statements is not material. Accordingly, comparatives for the year ending or ended 31st March 2019 will not be retrospectively adjusted.

### 54. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved for issue by the Board of Directors of parent Company in its meeting held on 10th May 2019.

As per our Audit Report of even dated

For **D S MULCHANDANI & CO**  
CHARTERED ACCOUNTANTS  
FRN: 021781C

**(CA. DEEPAK S MULCHANDANI)**  
PROPRIETOR  
M. NO. 404709  
INDORE  
Dated: 10th May 2019

**FOR AND ON BEHALF OF BOARD**

**(SURENDRA SINGH MARU)**  
DIRECTOR  
DIN:03081191  
**(SHUBHAM JAIN)**  
COMPANY SECRETARY

**(SUNIL CHORDIA)**  
MANAGING DIRECTOR  
DIN:00144786  
**(HITESH JAIN)**  
CHIEF FINANCIAL OFFICER

Form No. MGT-11

## Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

CIN:	L27106MP1988PLC004778
Name of the Company:	RAJRATAN GLOBAL WIRE LIMITED
Registered office:	'Rajratan House' 11/2, MEERA PATH Dhenu Market, Indore-452003 (M.P.)

Name of the member(s): .....  
Registered address: .....  
Email Id: .....  
Folio No./Client Id: .....  
DP ID: .....

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name: .....

(In BLOCK Letter)

Address: .....

E-mail Id: ..... Signature: ..... or failing him

2. Name: .....

(In BLOCK Letter)

Address: .....

E-mail Id: ..... Signature: ..... or failing him

3. Name: .....

(In BLOCK Letter)

Address: .....

E-mail Id: ..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the Company, to be held on the Monday, 22nd July 2019 at 2.00 PM at the Registered Office of the Company at 'Rajratan House' 11/2 Meera Path Dhenu Market, Indore – 452003, M.P. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars
1	To receive, consider and adopt the Audited Financial Statements of the Company (including consolidated financial statements) for the financial year ended 31st March 2019, together with the Reports of the Board of Directors and Auditors thereon.
2	To declare dividend of Rs. 2.00/- per equity share of Rs. 10/- each for the financial year 2018-19.
3	To appoint a Director in place of CA. Abhishek Dalmia (DIN-00011958), who retires by rotation, and being eligible, offers himself for reappointment.
4	Ratification of Cost Auditors' Remuneration

Resolution No.	Particulars
5	To re-appoint Mr. Shiv Singh Mehta (DIN - 00023523) as an Independent Director, not liable to retire by rotation, for second term of 3 (three) consecutive years with effect from 22nd July 2019 and in this regard, pass the following resolution as a Special Resolution
6	To appoint Mr. Rajesh Mittal (DIN - 08483698), as a Regular Director in Independent Director, not liable to retire by rotation, for first term of 3 (three) consecutive years with effect from 22nd July 2019
7	To appoint Mrs. Aparna Sharma (DIN - 07132341), as a Regular Director in Independent Director, not liable to retire by rotation, for first term of 3 (three) consecutive years with effect from 22nd July 2019
8	Appointment of Mr. Yashovardhan Chordia as a Non-Executive Director
9	To approve Re-designation of Mr. Sunil Chordia (DIN 00144786) as Chairman & Managing Director, revision in his remuneration and to approval of payment of remuneration as per SEBI (LODR) (Amendment) Regulations, 2018.
10	Adoption of Memorandum of Association as per the provisions of the Companies Act, 2013
11	Adoption of Articles of Association as per the provisions of the Companies Act, 2013

Signed this ..... day of.....2019

Signature of shareholder .....

Signature of Proxy holder(s) .....

Revenue  
stamp of  
Re. 1

**Notes:**

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



# Corporate Information

## RAJRATAN INDIA

### Board of Directors

Mr. S.S. Mehta	Director
Mr. P.D. Nagar	Director
Mr. Surendra Singh Maru	Director
Mr. Abhishek Dalmia	Director
Mr. Chandra Shekhar Bobra	Director
Mr. Sunil Chordia	Managing Director
Mrs. Sangita Chordia	Executive Director

### Auditors

M/s D.S. Mulchandani & Co.  
Chartered Accountants, Indore

### Chief Financial Officer

Mr. Hitesh Jain

### Company Secretary

CS Shubham Jain

## RAJRATAN THAILAND

### Board of Directors

Mr. Sunil Chordia	Director
Mr. Yashovardhan Chordia	Executive Director
Mr. B.K. Reddy	Executive Director
Mrs. Mohini Chordia	Executive Director

### Auditors

B1, Auditing Group Co. Ltd. Thailand

#### Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



**RAJRATAN**  
*OUTPERFORM*

INDIA | THAILAND

**RAJRATAN GLOBAL WIRE LIMITED**

Regd. Office:  
Rajratan House  
11/2, Meera Path, Dhenu Market  
Indore-452003  
Madhya Pradesh  
India  
Tel.: +91-731-2546401

Factory:  
200-B, Sector-1,  
Pithampur-454775, Dist. Dhar  
Madhya Pradesh  
India  
Tel.: +91-7292-253429, 253375  
[www.rajratan.co.in](http://www.rajratan.co.in)

**RAJRATAN THAI WIRE CO., LTD.**

Regd. Office & Factory:  
155/11 Moo 4,  
Tambol Chetsamian  
Amphur Potharam  
Ratchaburi-70120  
Thailand.  
Tel.: +66-32-375841/43/44  
[www.rajratan.co.th](http://www.rajratan.co.th)