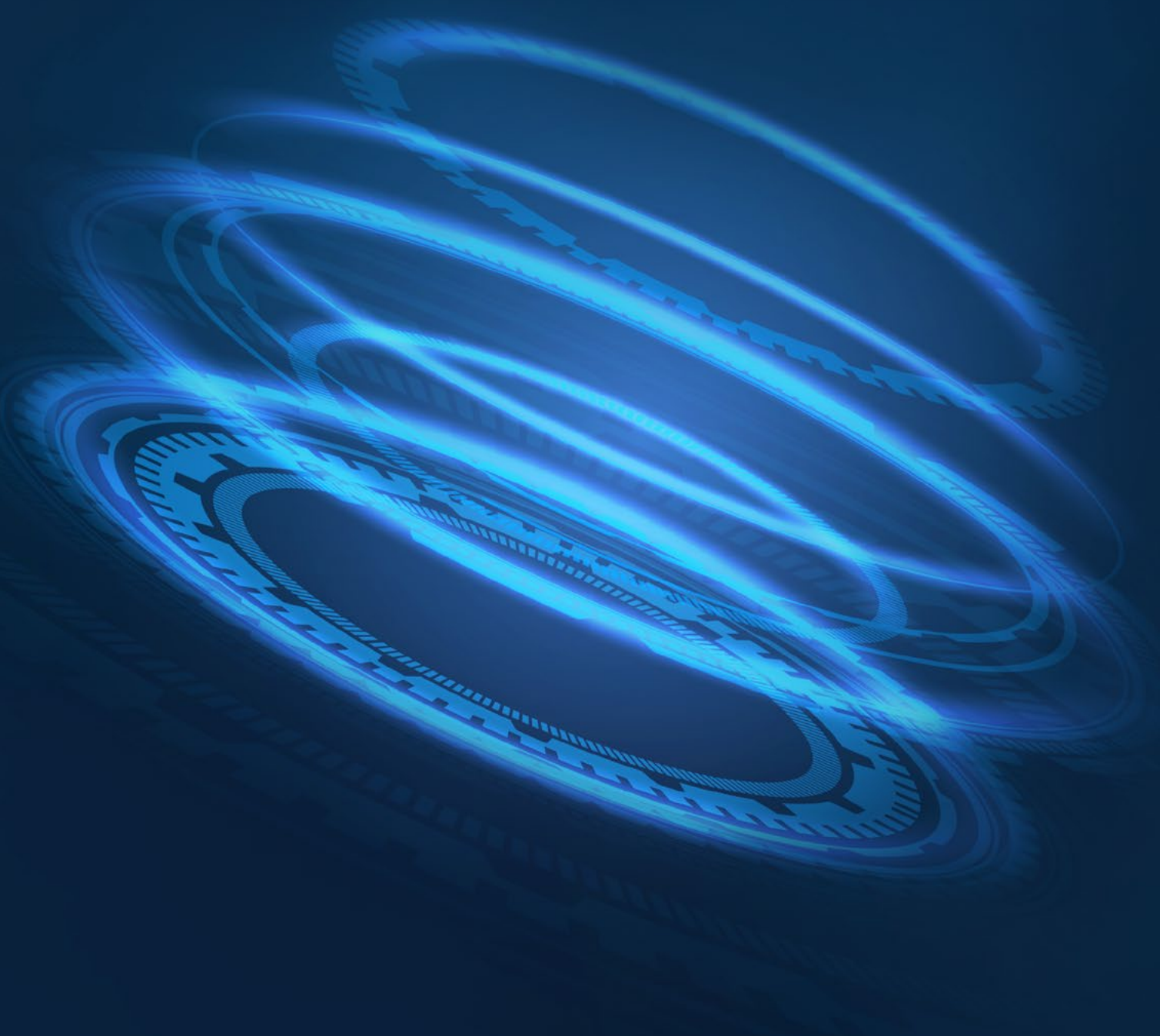




**RAJRATAN**  
*OUTPERFORM*

# OUTPERFORMANCE

Rajratan Global Wire Limited  
**Annual Report 2019-20**




## 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.

## Contents

● 02	Our 'Outperformance' conviction was showcased in our 2019-20 performance	● 20	Our Integrated Value-creation Report
● 04	9 things that make our company an outperforming global bead wire proxy	● 23	Sustainability at Rajratan
● 06	How Rajratan has enhanced value across the years	● 25	Corporate social responsibility
● 08	Chairman's overview	● 26	Management discussion and analysis
● 10	6 global trends in the bead wire industry	● 31	Notice to members
● 13	Review of Rajratan's India operations, 2019-20	● 38	Board's report
● 14	Review of Rajratan's Thailand operations, 2019-20	● 74	Financial section
● 16	Rajratan's sustainable business model		



At Rajratan , we have been driven by two over-arching convictions: 'Do better than what we did yesterday' and 'Do better than competition.'



Our 'Outperformance'  
conviction was  
showcased in our  
2019-20 performance.

The Indian automotive production de-grew 14.73% in 2019-20.

Rajratan posted a record profit after tax in 2019-20.

Most automotive ancillary companies reported lower margins in 2019-20.

Rajratan reported a 343 bps increase in EBIDTA margin in 2019-20.

The Company reported relatively flat revenues after losing nearly 34 days of productive working to the expansion and Covid-19 impact.

Rajratan reported profitable growth; profit after tax strengthened 24%.

# Rajratan. Pride. Pedigree. Performance.

9 things that make our company an outperforming global bead wire proxy



## Vision

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

## 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.

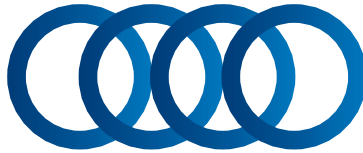
To ensure and enhance safe working conditions for all concerned.

## 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.

## 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.



## Background

The company was originally 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 the 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 64.53% 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 specializes in bead wire of customised tensile grades as per requirements.

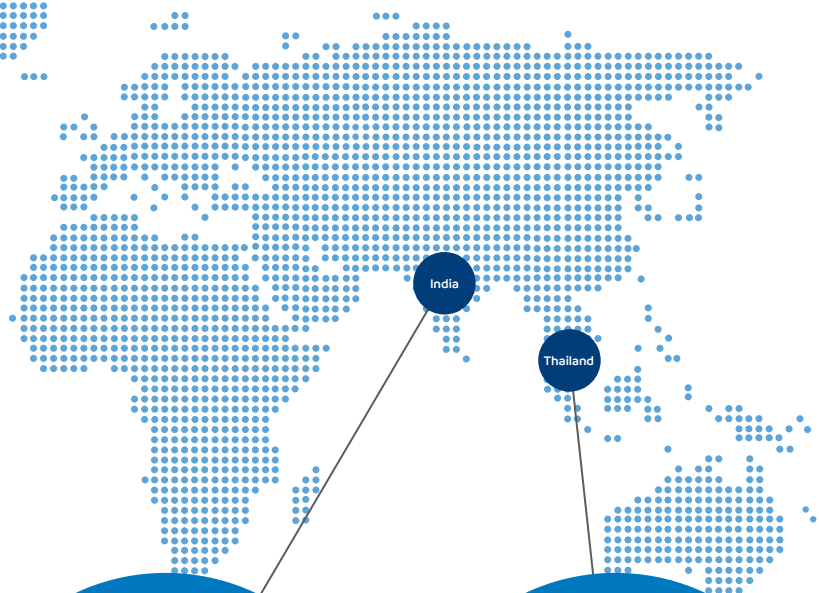
**High carbon steel wire:** This is drawn steel wire (also popularly known as black wire) manufactured from quality wire rods with high carbon content. The product plays a vital role in many industries (automobile and construction to engineering). At Rajratan, we manufacture high carbon steel wire in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

## 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.

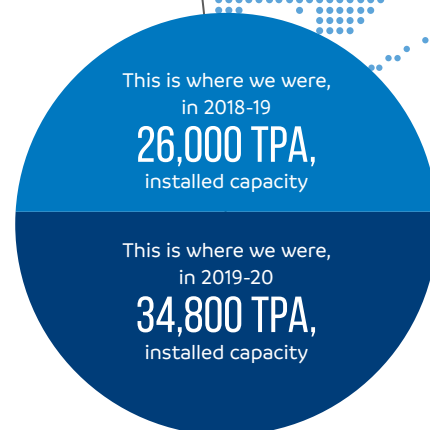
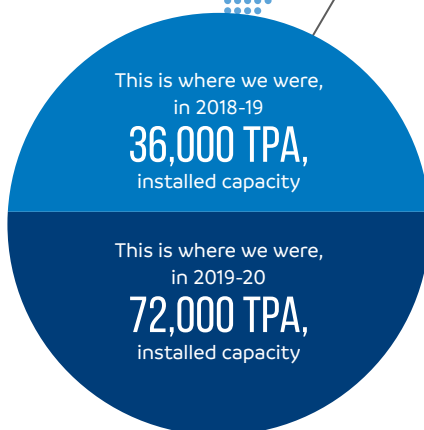
**Thailand:** Located in Ratchaburi, the facility is close to the port and customers.



## Installed Capacity

# 1,06,800 TPA

The company possessed an installed aggregate manufacturing capacity of 106,800 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.



## 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 its manufacturing facilities are based, Rajratan also services customers in Italy, USA, The Czech Republic, Malaysia, Indonesia, Philippines, Vietnam, Sri Lanka, UAE, Bangladesh and other countries. Rajratan strategically shifted the demanding needs arising out of major export contracts to the Thailand plant. Exports from Thailand accounted for around 41% of revenues from that country.

## Certifications (India)

IATF 16949:2009  
ISO 14001:2004  
OHSAS 18001:2007

## Certifications (Thailand)

IATF 16949:2016  
MS ISO 16650:2009 (P) (SIRIM)  
IS 4824:2006 (BIS)

## Customers

- Apollo Tyres, India
- ATC Tyres, India
- Balakrishna Tyres, India
- Birla Tyres, India
- Bridgestone, India
- Camel Industries, Thailand
- CAMSO Loadstar, Sri Lanka
- Casumina, Vietnam
- CEAT, India
- CEAT, Sri Lanka
- Continental, India
- Deestone International, Thailand
- Everthrough, Malaysia
- Global Rubber, Sri Lanka
- Goodyear, India
- Hindustan Tyres, India
- Huayi Group, Thailand
- JK Tyre & Industries, India
- Mahadeo Industries, India
- MRF Limited, India
- Otani Radials, Thailand
- Poddar Tyres, India
- Sentury Tire, Thailand
- Siam Truck Radial, Thailand
- Silverstone, Malaysia
- Sumitomo, Thailand
- Suprajit Engineering, India
- Svizzone Tire, Thailand
- Toyo Tyres, Malaysia
- Trelleborg Wheel & Systems, Italy
- TVS Srichakra, India
- Vee Rubber, Thailand
- Yokohama, Thailand
- ZC Rubber, Thailand

# How Rajratan has enhanced value across the years

## Revenues

- 1,268 (Rs. in Lakhs)



### 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

Aggregate sales decreased by 2.57% or Rs. 1,268 Lakhs in FY 20, the result of a decline in steel prices, which accounted for a major part of the company's selling price (cost decline passed on to customers) even as the company's volumes increased 2.4%.

## Growing EBITDA

+ 1,509 (Rs. Lakhs)



### 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 optimize 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 a superior coverage of fixed costs, cost management, altered product mix and value-addition

## Net profit\*

+ 633 (Rs. Lakhs)



\* Before Other Comprehensive Income

### 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 a change in the product mix and stronger cost management.

## EBIDTA margin (%)

+ 343 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 gives an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

### Performance

The company reported a higher EBIDTA margin following a reduction in costs and improved product mix.



**ROCE (%)**

+ 18 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 an 18 bps increase in ROCE on account of an increase in asset utilization and coverage of fixed expenses.

**Gearing**

- 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 1.30 in FY16 to 0.86 in FY20, the result of increased net worth and progressive debt repayment. We recommend that this ratio be read in conjunction with net debt/EBIDTA (declining, indicating a growing ability to service debt).

**Debt cost (%)**

- 100 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 around 8% in FY20. We recommend that this number be read in conjunction with our rising interest cover.

**Interest cover (X)**

+ 11 bps

**Definition**

This is derived through the division of EBIDTA 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 2.45 in 2015-16 to 4.26 in 2019-20, indicating superior profitability.

## Chairman's overview



“

Despite losing a month to the integration of the expansion into our manufacturing operations, Rajratan reported profitable growth: even as revenues stayed largely at the same level of the previous year, profit after tax strengthened 24%.

Sunil Chordia, Chairman & Managing Director

At Rajratan, we are engaged in building a respected global bead wire company.

At no time was this commitment more tested than during a challenging 2019-20 when the company encountered a slowdown in the Indian economy, which, in turn, translated into a slowdown in the automobiles and tyre sectors, the largest bead wire consumers.

From one perspective, the decision to expand our capacity was taken well before the slowdown but implemented at a time when the slowdown deepened. While a number of industry observers privately indicated that perhaps this was an inopportune time to invest in additional capacity given the weak demand outlook, we believed that the opposite was true.

We believed that the decision to expand our capacity at the time we did – from an aggregate 70,800 TPA in 2018-19 to 1,06,800 TPA in 2019-20 across India and Thailand – was in line with our desire to build a global bead wire company. We believed that for a specialised company like ours singularly focused on bead wire, the

expansion would strengthen our brand as a dependable anytime provider of bead wire; besides, we believed that the increase in scale would strengthen our economies of scale (procurement and manufacturing) that would only reinforce our any-market competitiveness. The result is that we doubled our manufacturing capacity across our India operations at one of the lowest capital costs per tonne without diluting our equity structure.

Despite losing a month to the integration of the expansion into our manufacturing operations, Rajratan reported profitable growth: even as revenues stayed largely at the same level of the previous year, profit after tax strengthened 24%. This outperformance – the motto of our company – was the result of a superior product mix, nimbler service, cost austerity and superior productivity.

During the latter part of the financial year under review, the Company was affected by the lockdown in the wake of the Covid-19 pandemic. As the markets began closing down, the offtake of tyres declined; our customers selected



the economic rebound be better than expected, Rajratan will be attractively placed to provide bead wire on demand, reinforcing nimble customer service.

The other level at which one would like to address our prospects is through our extensive de-risking. At Rajratan, we had selected to grow our capacities through a cautious approach wherein we ensured that nearly 80% of the debt we had mobilised for expansions in the past would have been repaid by the time we embarked on a fresh expansion round. The result is that even during this recent expansion, we possessed a right-sized Balance Sheet with a post-expansion debt-equity ratio of 0.86.

I am pleased to report that despite the unprecedented lockdown, the company's cash flows continued to be healthy. The company did not seek additional support from lending banks; the company continued to repay its commercial obligations and, in some cases, even prepaid its loans. Over the coming months, the company will showcase the credibility of its Balance Sheet to seek a lower cost of funds from lending banks with the objective to reduce its interest outflow, which could reinforce our liquidity in a weak demand year.

We intend to complement the reduction in debt and debt cost with complementary initiatives: cost cutting, moderate inventory and strengthening of the terms of trade with our customers. We believe that at a time of sectoral slowdown, a continued focus on the health of our working capital outlay will protect our Balance Sheet and medium-term competitiveness.

At Rajratan, we believe that we are attractively positioned to capitalise on any upturn in economic activity for a number of reasons.

**One**, we possess adequate capacity to address the medium-term growth of our downstream customers without the need to invest additionally in capacities.

**Two**, we demonstrated agility during the last financial year by the virtue of carving away a disproportionately higher market share.

**Three**, we do not believe that bead wire imports will remain viable following the weakening of the Indian currency; besides, the number of players has further reduced, strengthening our competitiveness.

**Four**, of the remaining players, we are the only player with a singular focus on bead wire, making us a specialised player with superior quality, service and competitiveness. We believe this to be an advantage in a world where downstream customers are selecting to work with specialists who possess deeper technology knowledge and manufacturing competencies.

**Five**, we have developed long-term partnerships with prominent Indian and global tyre brands; besides, our products account for a high quality criticality within the downstream product while remaining a negligible cost of the tyre.

**Six**, our cost of debt is moderate – around a weighted 8% in our Indian business and less than 5% for our Thailand operations – that should protect our viability across this challenging market cycle.

**Seven**, we possess a complement of one of the highest bead wire standards in the world and one of the most competitive cost structures (capital cost per tonne) anywhere. We believe that this makes it possible for the company to succeed across market cycles, making us the last person standing in challenging markets and among the first to be off the blocks following sectoral recovery.

**Eight**, we ended the year under review with a receivables cycle of 59 days of turnover equivalent, which we intend to protect during the current financial year.



EBIDTA  
INCREASED  
**28%**



PROFIT AFTER TAX  
STRENGTHENED  
**24%**

to de-stock their bead wire inventory. The result was that the company did not record any offtake in India during the end of March and April 2020; manufacturing operations resumed only from May 2020.

As the direct and indirect impacts of the lockdown are likely to be reflected across the Indian economy through the course of the current financial year, the question uppermost in our stakeholder minds is whether operations will be affected during the current financial year and whether our positive momentum will be preserved.

I must answer this at two levels: the performance of the company will be affected in 2020-21 to the extent of the weakness in the economy and the automobile sector. At first glance, we would be pleased to match the performance that we reported in 2019-20. We believe that the government's stimulus for the benefit of the MSME sector will grow the economy from the grassroots upwards, strengthening the pan-Indian movement of commercial vehicles on the one hand and the offtake of tyres on the other. Should



Chairman's overview

**Nine**, we have graduated to becoming a value-added player focused on the manufacture of quality-intensive bead wire addressing the needs of select customers willing to pay a premium.

**Ten**, we commissioned a number of quality- and efficiency-enhancing programmes to kick-start a robust multi-year quality journey that will lead us towards TPM, TQM and our pursuit of a Deming Award.

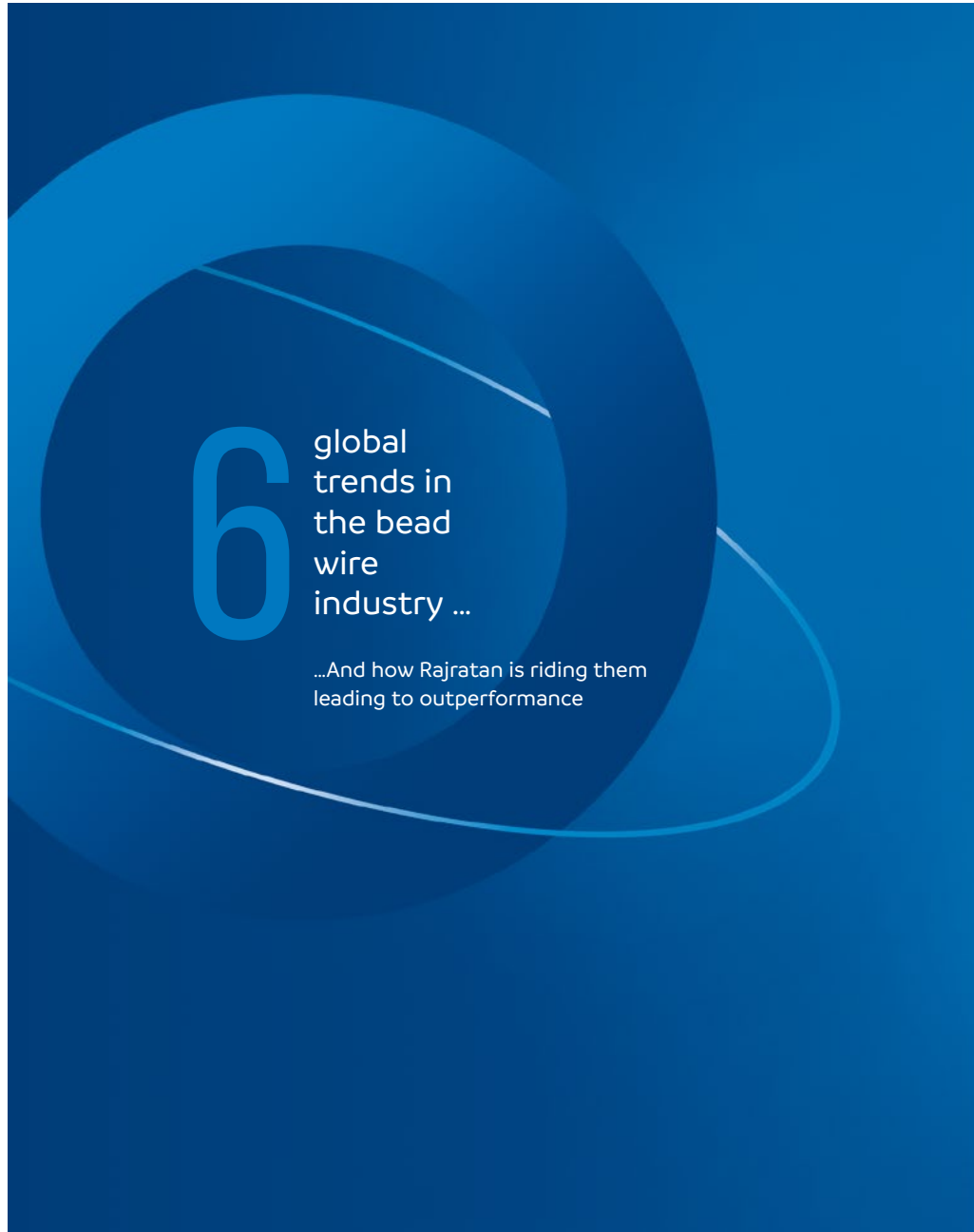
The Rajratan of today is not just focused on operational profitability but comprehensive business sustainability. We believe that one of the critical determinants of success will be the quantum of natural resources consumed while engaging in the manufacture of industrial products. At our company, we strengthened our commitment to moderate water consumption; we commissioned a new effluent treatment plant comprising zero water discharge.

If the demand outlook remains muted, we believe we will be able to carve away the market share of existing players on account of larger bead wire capacity, strong order book (especially in Thailand), enduring customer relationships and a portfolio of high-end bead wire addressing the needs of some of the most demanding customers.

If tyre demand revives, we will be able to enhance capacity utilisation, cover fixed costs more effectively, enhancing value in the hands of those who own shares in our company.

**We believe that better days await us.**

---





Challenging  
downtrend in the  
global bead wire  
business



Need to deliver  
consistently  
superior quality



Need to moderate  
costs and enhance  
competitiveness



Premium on  
addressing global  
competition



Premium on the  
need to possess  
a relatively small  
Balance Sheet



Greater need  
to be present  
in fast-growing  
geographies

#### TREND 01

### There is a challenging downtrend in the global bead wire business

#### Challenge

The global bead wire sector is passing through a challenging slowdown.

#### Rajratan's counter-response

The expansion in the Indian facility was completed in 2019-20 while the Thailand operations are at the cusp of an attractive production increase coupled with prospective capacity expansion thereafter.

#### Outcome

The impact of this strategy was only partly visible during the last financial year as the expansion of the Indian manufacturing facility was commissioned in November 2019. During the current financial year, the cumulative impact of the expansion and projected increase in production at the Thailand unit could become evident if market conditions improve.

#### TREND 02

### Superior quality is a moving goalpost in the global bead wire industry

#### Challenge

There is a need for a superior quality of bead wire in the world.

#### Rajratan's counter-response

Rajratan's manufacturing and quality-centric teams are driven by a priority to minimise process deviations, deliver the product right the first time and eliminate customer complaints.

#### Outcome

Manufacturing efficiency in the Thailand plant strengthened quarter-on-quarter during the entire year.

TREND  
03

There is a growing need to moderate costs and enhance competitiveness in the global bead wire industry

**Challenge**

There was an apprehension of bead wire realisations declining in 2019-20 sharper than the decline in raw material costs, squeezing manufacturing margins (eventually transpired in Thailand).

**Rajratan's counter-response**

In India, the company strengthened its competitiveness by doubling manufacturing capacity (effective November 2019) and commissioning the world's largest bead wire coating line. In Thailand, the company focused on strengthening specific quality-critical processes.

**Outcome**

Manufacturing efficiency increased and the Thailand operations experienced a stock-out without compromising realisations.

TREND  
04

There is a premium on addressing competition within the global bead wire sector

**Challenge**

The bead wire manufacturer with the strongest customer relationship, lowest cost and superior quality will endure.

**Rajratan's counter-response**

The company kick-started projects designed to enhance quality, moderate costs and enhance market responsiveness.

**Outcome**

Rajratan's volumes increased even as the Indian automotive sector reported its most sluggish growth in years.

TREND  
05

There is a premium on the need to possess a relatively small Balance Sheet when the demand outlook for bead wire is uncertain.

**Challenge**

In a global economic and automotive sector slowdown, bead wire companies with large debt on their Balance Sheets could be affected.

**Rajratan's counter-response**

Rajratan followed a prudent practice of drawing only half of its working capital sanctioned amount. The company did not embark on an expansion until 80% of the term loan related to its previous expansion had been repaid. The company generated 25% of its expansion outlay from accruals and 32.68% from government subsidies (to be received across seven years), de-risking the expansion.

**Outcome**

Even as Rajratan's revenues stayed relatively flat in 2019-20, EBIDTA margin strengthened 343 bps.

TREND  
06

There is a greater need to be present in fast-growing geographies marked by rising tyre production (and bead wire demand).

**Challenge**

There is a greater premium on being present in the right global geography.

**Rajratan's counter-response**

Rajratan has selected to manufacture bead wire out of India and Thailand, two of the most promising global locations based on a long-term

demand outlook. Thailand enjoys attractive raw material availability for the manufacture of tyres. Following the imposition of anti-dumping duties by some countries on Chinese tyre exports, large Chinese tyre manufacturers have commissioned capacities in Thailand.

**Outcome**

The company is the only bead wire manufacturer in Thailand; a proposed expansion could service additional demand.

# Review of Rajratan's India operations, 2019-20

”

A CONVERSATION  
WITH CHAIRMAN  
SUNIL CHORDIA

## ” Overview on the company's performance.

There is much to be pleased with the way Rajratan's India operations performed during the year under review. Given the slowdown in the Indian automobile sector – the sector reported de-growth in sales by 14.8% in 2019-20 – Rajratan performed creditably: the company reported a 2.41% increase in volumes, a 2.57% decline in revenues and a 24% increase in profit after tax. There are three messages that I wish to send out to shareholders: Rajratan's India operations outperformed the growth the Indian tyre and automotive sectors in 2019-20; the company reported profitable growth during the year under review; this performance was effectively based on eleven months of working as the company was required to take a month's shutdown to integrate the expanded capacity.

## ” The highlights of Rajratan's India operations in 2019-20.

Rajratan India commissioned its Rs. 8,100 Lakhs expansion in the last financial year, effectively doubling its capacity to 72,000 TPA (60,000 TPA of bead wire and 12,000 TPA of black wire). This expansion represents an inflection point in our business for various reasons: one, it has helped us grow capacity in the space of a year that took the company nearly 25 years of patient expansion in its existence.

## ” The increased margins achieved in a realisations- stressed 2019-20.

Rajratan reported an increase in EBIDTA from 10.98% in 2018-19 to 14.41% in 2019-20. This transpired in an environment where sectoral volumes were sluggish

and customers demanded price discounts. This increase transpired on account of three reasons: one, the company engaged in a number of productivity-enhancing programmes that helped moderate the overall cost of production; two, the company capitalised on a decline in steel prices through the first three quarters of the year under review; three, the company entered into a responsible dialogue that their stable supply interests would be best ensured if they left reasonable value on the table for long-term players like Rajratan (at a time when a supplier closed down due to unviable realisations, threatening supplies).

## ” Rajratan's business- strengthening initiatives in 2019-20.

Rajratan implemented a coating line along with the capacity expansion in its Indian operations during the year under review. The economies of this line will become increasingly evident when its operations have been scaled two years from now. Besides, the company implemented a number of learnings in equipment design and shopfloor design that had been aggregated across the years, which helped enhance quality and reduce costs.

## ” Outlook of Rajratan's Indian operations for 2020-21.

Rajratan's outlook is optimistic on account of a larger available bead wire capacity, prospects of improved quality and lower manufacturing costs. Based on this competitive advantage, the company will endeavour to carve out a larger share of the market.

# Review of Rajratan's Thailand operations, 2019-20



A CONVERSATION WITH  
YASHOVARDHAN  
CHORDIA, DIRECTOR,  
RAJRATAN THAI WIRE CO.,  
LTD.

## ” The creditable feature of the company's working.

Rajratan's Thailand performance could have been even better but for a delay in getting the BIS certification. As a result, the Thailand operations could not export to India and the company 'lost' nearly 6,000 tonnes in sales during the year. It is a credit to the company that it worked closer with local customers, accounted for a larger share of their wallets and performed exceedingly well in covering for this notional sales loss.

## ” The value-enhancing programme of our Thailand operations.

We needed to enhance our output, operating efficiency, equipment availability, quality consistency and people retention. We strengthened our daily work management, which comprised process monitoring, check and balance discipline and root cause analysis that translated into lower process deviations. Absenteeism declined. Work-life balance improved. Expatriate workers were introduced and processes were strengthened to enhance responsiveness to customer needs. Following nominal capex, bead wire of a thicker size was manufactured. Utilities were strengthened. The 5S system was incorporated to enhance workplace hygiene.

## ” Overview on the company's performance.

Rajratan's Thailand operations were creditable during the year under review. Even as the prevailing sectoral environment was challenged in terms of realisations, the company reported record volumes in its existence. The company did not encounter quality issues with any of its customers. The result is that the company protected its brand, which represents a foundation for its next round of growth.

## ” The impact of Covid-19 on the company's operations.

The impact of Covid-19 was negligible on the company's operations in March and April, when sales volumes were at their highest. As global customer destocked, there was a decline in our sales in May 2020; the company selected to shut operations for a month. During this period, we continued to engage with customers in Thailand: we impressed upon them that we were located on their soil, we could provide small volumes, we would bill only when the material had been delivered and encouraged our



customers to nurse low inventories. This promise was demonstrated in May 2020 when one of our largest customers sent out a request for material when our manufacturing facility was closed. We resumed operations for two days to service their urgent need; they were impressed with our responsiveness. Through this initiative we succeeded in transforming a challenge into an opportunity

### ” The outlook for 2020-21

At worst, we expect to match our tonnage sales of 2019-20 in 2020-21. This outlook is based on a few assumptions and realities: even though the tyre demand is projected to contract due to the economic slowdown, we now possess a BIS license so this should translate into additional volumes; we expect to capitalise on approvals provided by customers through the full length of 2020-21 (which we only received during the second half of 2019-20); we are further trying to broad-base our customer mix by marketing our products to the flexible duct industry.

### ” The basis of our optimism

We believe that even in the worst of markets where the sales outlook in most sectors was uncertain, our sales did not decline more than 50%. This is an index of our product quality, competitiveness and customer relationships. From a larger perspective, Thailand has emerged as the tyre hub of Asia. Some of the largest Chinese tyre brands have commissioned larger and more sophisticated manufacturing facilities in Thailand than in their own country. This reality resulted in Thailand's tyre sector growing at 8-10% per year across the last few years, the global slowdown notwithstanding. In a number of cases, our multi-year approval process by customers is nearing completion and should translate into sizable orders across the foreseeable future.



## The Thailand market for bead wire

Thailand's downstream tyre market is growing annually at 7-10%

A number of Thai-based global tyre manufacturers have either announced or implemented expansions

The announcement of Industry Thailand 4.0 has announced benefits for investing companies

Bridgestone announced the creation of aviation tyre capacity; Continental completed the construction of a factory; Goodyear intends expand tyre capacity

Chinese tyre companies in Thailand announced expansion plans

### Eight-year tax shield for the subsidiary

Rajratan Thai Wire Co. Ltd enjoys a tax benefit on the profits reported on all the production in excess of 22,000 TPA – for a period of eight years subject to a ceiling of the amount invested by the company for capacity creation above 22,000 TPA.



## Quality

The acceptable standards of yesterday are being rapidly replaced by the demanding benchmarks of tomorrow – with the singular objective of enhancing ride safety. 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?'



## Critical

The cost of bead wire is negligible in the overall cost of tyre manufacture but its role in a tyre is becoming increasingly critical in the success of automobile brands. As a result, the focus has progressively shifted from engaging the lowest cost material provider to one delivering the best quality.



## Irreplaceable

Even as automobiles pass through a transformation from fossil fuel-driven to electric variants, the tyre is expected to remain a core component



## Focus

There is a growing respect for focus; more customers seek to work with vendors not distracted by a number of business.

# Rajratan's strategic clarity

## Singular focus

Rajratan is largely focused on the manufacture of bead wire (87% of total capacity and 90% of revenues, 2019-20), a decisive advantage over competitors for whom this is just one of various manufactured products

## Commitment

Rajratan dovetailed the increase in its bead wire manufacturing capacity with the growing appetite of downstream customers ('make-to-stock' to 'sell-and-make').

## Outperformance

Rajratan's motto is 'Outperform' across all aspect of operations

## Knowledge

Rajratan is placed at the cutting-edge of technology developments through a back-to-back engagement with respected global consultants.

## Promoter's holding

Rajratan's promoters own a high 64.53% equity stake in the company.

## Liquid

Rajratan's focus is to remain liquid and profitable even in the most depressed markets, making it possible to capitalise when demand rebounds

## Aggression

The company is aggressive when opportunity presents: it doubled the capacity of its Indian operations in 2019-20 and intends to double its Thailand capacity across the next few years.

## Culture

Rajratan's thrift made it possible to remain liquid across market cycles. The company expands manufacturing capacities only when at least 80% of the debt mobilised to fund the previous expansion has been repaid.

## Capacity expansion

Rajratan believes that capacity expansion can only be advisable when incremental capacities are commissioned considerably lower than the cost of a greenfield equivalent and can be recouped within five years.

## Technology

Rajratan has drawn on its erstwhile collaboration with Gustav Wolf to create a rich proprietary knowledge pool that was reinforced through the engagement of global consultants and learnings from Rajratan's technical centre.

# Rajratan's competencies

## Spread

Rajratan's manufacturing operations are located in two countries (India and Thailand); India is one of the fastest growing major global economies; Thailand is Asia's largest tyre manufacturing hub

## Scale

Rajratan is the second largest bead wire manufacturer in Asia (excluding China), the largest manufacturer in India and the only manufacturer in Thailand with a 20% market share.

## Technology

Rajratan has invested in a deep technology competence, reflected in the lowest wire breakages.

## Competitive

Rajratan doubled capacity in its Indian operations at a project cost 50% of the global benchmark for an equivalent greenfield capacity; the company re-invested accruals in capacity expansion resulting in a relatively low capital cost per tonne.

## Approvals

Rajratan's revenue visibility has been reinforced by plants (India and Thailand) approved and audited by most large tyre manufacturers (Indian and multi-national)

## Tax hedge

Rajratan enjoys a tax hedge for eight years on its Thai operations for all production in excess of 22,000 TPA, which is expected to expire by 2025.

## People

Rajratan employed 650 people; nearly 80% worked with the company for five years or more, indicating knowledge retention

## Gearing

Rajratan had only Rs. 6,286 Lakhs of long-term debt on its books as on 31st March 2020. Working capital debt was Rs. 8,294 Lakhs; overall gearing was 0.86.

## Cost of funds

In three years, Rajratan moderated its overall working capital debt cost from 12% to 8% while gearing strengthened from 1.30 in 2016-17 to 0.86 in 2019-20

## How our strategy is playing out

Higher capacity ➤ Increased capacity utilisation ➤ Increased customer confidence ➤  
Stronger multi-year purchase commitment ➤ Higher volumes ➤ Stronger amortisation ➤  
Superior margins

Quality approvals from customers ➤ Increased customer wallet share ➤ Enhance revenue visibility ➤ Larger volumes commitment ➤ Superior coverage of fixed costs ➤ Enhanced profitability ➤ Stronger reinvestment in capacity



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 organization'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 organization 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 organization'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.

# Our strategy

 <b>Strategic focus</b>	 <b>Innovate and excel</b>	 <b>Cost leadership</b>	 <b>Supplier of choice</b>	 <b>Robust people practices</b>	 <b>Responsible corporate citizenship</b>	 <b>Value-creation</b>
<b>Key enablers</b>	<p>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</p>	<p>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.</p>	<p>Rajratan reinforced its customer engagement through adequate capacity, timely product delivery and high product quality. The result is that 85% of its revenues were derived from customers of five years or more</p>	<p>Rajratan is an employer of more than 650 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</p>	<p>Rajratan is a responsible corporate citizen engaged in various community development activities in the hinterland of its manufacturing facilities Rajratan invested Rs. 47 Lakhs across CSR activities in 2019-20</p>	<p>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 that are delivered in a consistent way</p>
<b>Material issues / addressed</b>	<p>Superior use of cutting-edge technology leading to product differentiation</p>	<p>Creating the basis of long-term viability through an any-market cost competitiveness</p>	<p>Enhancing revenue visibility through multi-year customer agreements; focusing on a sell-and-make approach</p>	<p>Creating a professional culture seeking overarching excellence in everything the company does</p>	<p>Community engagement, widening prosperity</p>	<p>Customer's needs for a customised high quality product</p>
<b>Capitals impacted</b>	<p>Manufactured, intellectual, financial</p>	<p>Financial, intellectual, natural, social and relationship</p>	<p>Intellectual, manufactured, social and relationship</p>	<p>Intellectual, human</p>	<p>Social and relationship, natural</p>	<p>Intellectual, manufactured, social and relationship</p>

# The value we generated: Outcomes

## 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, their 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.



### Natural capital

We depend on raw materials sourced from nature, including polymers (derived from crude oil) and metals, indicating a moderate impact on the natural environment.



### 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

- Turnover **Rs. 48,021 Lakhs**
- Earnings per share **Rs. 32.55**
- ROCE **18.96%**

### Manufacturing capital

- Quantum of tonnage produced **66,478MT**
- Quantum of tonnage sold **66,357MT**

### Human capital

- Direct and indirect employees
- Number of employees **650**
- Total remuneration, 2019-20: **Rs. 2,705 Lakhs**

### Intellectual capital

- Cumulative senior management experience **20 years**
- Status of company in India's organised bead wire sector: **Market leader**

### Natural capital

- Installed heavy duty filtration systems where we can reuse chemicals consumed in the process a few more times before responsible disposal.

### Social and relationship capital

- Number of customers **128**
- Number of vendors **848**

## Value sharing

### Investors

The company enriched investors through dividends and capital appreciation

### Suppliers

The company sourced Rs. 33,900 Lakhs of materials from suppliers

### Employees

The company provided remuneration worth Rs. 2,705 Lakhs and provided stable employment

### Customers

The company provided bead wire and black wires across grades, generating Rs. 48,021 Lakhs in revenues from customers

### Government and regulations

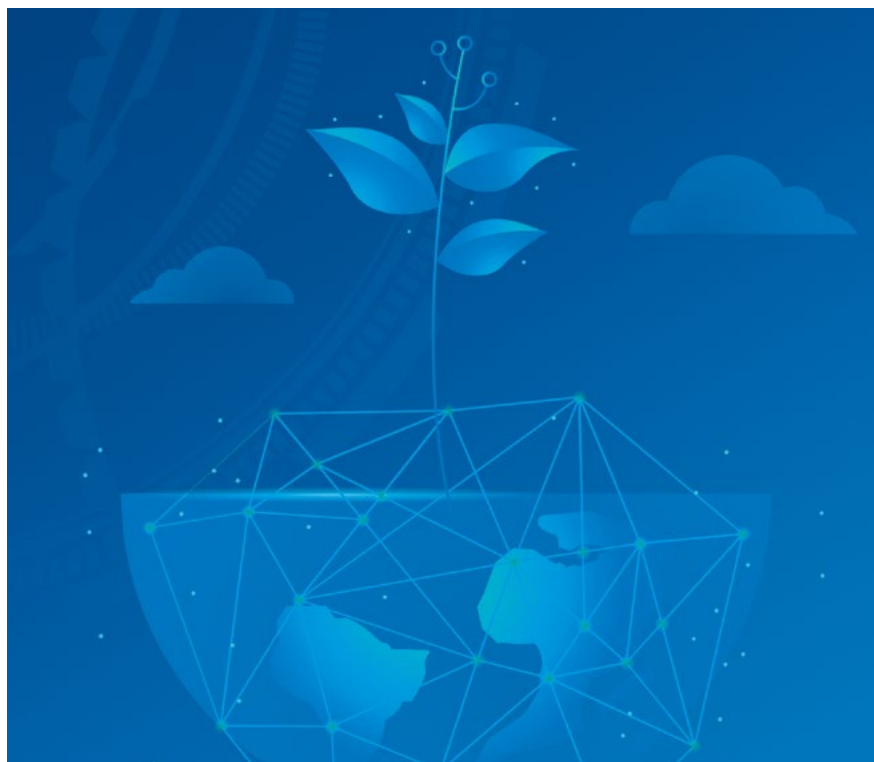
The company paid Rs. 2,446 Lakhs to the exchequer; the employment catalyzed the local community through downstream economic benefits

### Distributors and suppliers

The company's business is B2B and products are marketed directly to customers.



# Sustainability at Rajratan



## Overview on sustainability

A growing number of global manufacturers are recognizing financial and environmental upsides to be gained from sustainable practices, helping reduce resource depletion, water scarcity, pollution, harmful impacts and carbon footprint. Besides, such operations also enhance the safety of employees, community and products. The result is that the manufacture of products through environment-friendly and economically-sound processes has become the primary goal of responsible organisations.



Water recycled (cubic metres) (Thailand)



Number of trees/saplings planted (India)



### Rajratan's sustainability focus

Rajratan's long-term goal is business sustainability – environmental and economical – directed at a reduction of its environmental footprint, planet preservation and moderated resource consumption. In line with this objective, the company invested in modern tools, practices, methodologies and standards.

Rajratan commenced its bead wire operations at its Pithampur facility in 1995. The 6000 TPA plant was progressively expanded to 72,000 TPA, making it one of the largest such facilities at a single location in India and

one of the most modern facilities in India. The other plant of the company is located in Ratchaburi in Thailand, which is also a showpiece manufacturing facility in that country.

Both plants are audited yearly to ensure that equipment has been contemporarised and environment-friendly. The Company completed capacity expansion in both plants with sustainability being the focus.

### Our primary goal

At Rajratan, we intend to create a sustainable operating system, comprising superior technology,

high operating performance, cost optimization, environment sustainability and responsible employment generation.

### Our engagement

At Rajratan, we believe that the interplay of superior technology, knowledge, resource moderation and energy conservation have reinforced our position as a responsible bead wire manufacturer. During the last few years, the company made proactive investments in these areas with the objective to moderate its carbon footprint and cost structure, strengthening long-term sustainability.

## Rajratan's integrated environment management



### India

Rajratan modified its effluent and sewage treatment plant to moderate effluents. In the Indian plant, the Company made adequate investment in an ETP in addition to making prudent recruitments to supervise environment management. The waste discharged by the plant is transported to the Madhya Pradesh Waste Management Project, a government unit, authorised for disposing industrial waste. The maintained and monitored records are presented to EMS auditors during the annual audit.

Besides, the Indian plant is ISO 14001:2015-certified and cleared by the Madhya Pollution Control Board. The Company emphasises employee safety through the prescribed use of protective gear during shop floor operations in addition the investment in scrubbers to control chemical fumes.

The recycling initiatives undertaken covered the copper recovery from waste bronze bath solution, use of reverse osmosis waste water in the quench bath and reuse of effluent-treated water following the RO process.

### Thailand

Rajratan invested in sludge drying bed tops to reduce sludge weight. The annual environmental audits ensured that the plant remained benchmarked with contemporary environmental standards. The Company employed professionals to ensure responsible waste disposal. The plant kickstarted a no-plastic campaign and commenced the segregation of recyclable materials (plastic, glass and paper, among others), reducing the carbon footprint.

### Outcomes

The results of the company's various initiatives have been a steady decline in the consumption of finite natural resources. This has helped validate the company's manufacturing technology on the one hand and the seriousness of the company's HSE commitment on the other.

# Corporate social responsibility

Rajratan believes that it is the responsibility of every organisation to fulfil its social obligation. Since inception, the Company has been actively engaged in corporate social responsibility and before it was mandatory to donate a portion of the surplus towards such activities. During the year under review, the Company invested Rs. 47 Lakhs in CSR initiatives.



## Healthcare and sanitation

- Provided free dialysis treatment to underprivileged people in the area around the plant
- Provided free chemotherapy to underprivileged patients
- In collaboration with Inga Foundation, provided treatment to children born with facial deformities
- Through the Shankara Eye Foundation, the Company provided free eye check-ups and eye treatments to underprivileged children
- Distributed free medicine and food to government hospitals through the Sahayta Foundation
- Distributed sanitary napkins to >5,000 underprivileged women in areas in and around Pithampur



## Rural prosperity

- Provided financial assistance to teachers to enable them to run stitching classes in the vicinity of the factory premises



## Education

- Provided scholarship to deserving students to ensure they pursue higher education
- Through Literacy India, the Company pledged to provide financial assistance for the education of underprivileged children
- Took over the responsibility of five schools in collaboration with Friends of Tribal Society



## Plantation

- Took over the responsibility of planting trees and its maintenance on a prominent road in Indore

# Management discussion and analysis

## Global economic overview

Global economic activity remained weak owing to the slowdown in the momentum of the manufacturing sector coupled with a global financial crisis. In the backdrop of this financial crisis, global growth was estimated at 2.9% in 2019, the lowest since 2008–09.

## Indian economic review

The Indian economy grew 4.2% in 2019-20 compared with 6.1% in the previous financial year.

The nominal per capita net national income was estimated to be Rs. 1,35,050 in 2019-20, up 6.8% from Rs. 1,26,406 in 2018-19.

Despite the slowdown, India was among the top 10 recipients of Foreign Direct Investment (FDI) in 2019, attracting \$49 billion in inflows, a 16% increase over the previous year.

India emerged as the fifth-largest world economy in 2019, overtaking the UK and France with a gross domestic product (GDP) of \$2.94 trillion.

According to UN, India emerged as the third most attractive investment destination after China and the US for global companies. The year also witnessed parliamentary elections with NDA government entering its second consecutive term.

achieve a GDP of USD 5 trillion by 2025, the government announced National Infrastructure Policy with an investment plan worth Rs. 102 trillion in five years.

**Corporate tax relief:** The government slashed the corporate tax rate to 22% from 25% to promote investment; it announced a new tax rate of 15% for new domestic manufacturing companies, providing a boost to the Make-in-India initiative. The new effective CIT would be 25.17%, inclusive of a new lower surcharge of 10% and cess of 4%, closer to the worldwide average statutory CIT of 23.03%.

### Outlook

The outlook for the company account of the uncertainty in consumer demand caused by Covid-19. However, the medium-term outlook of the sector appears cautiously optimistic as consumer demand revives.

## Key government initiatives

**National infrastructure pipeline:** To

## Real GDP growth (%)

Growth of the Indian economy, 2019-20



(Source: Economic Times, CSO, Economic Survey, IMF, EIU)

## Indian automobile industry overview

The Indian automobile industry is one of the primary drivers of Indian economy. Domestic automobile sales grew at a CAGR of 6.71% between FY13-19 with 26.27 million vehicles sold whereas domestic automobile production increased at a CAGR of 6.96% between the same period. However, the year under review was marked by muted consumer sentiment.

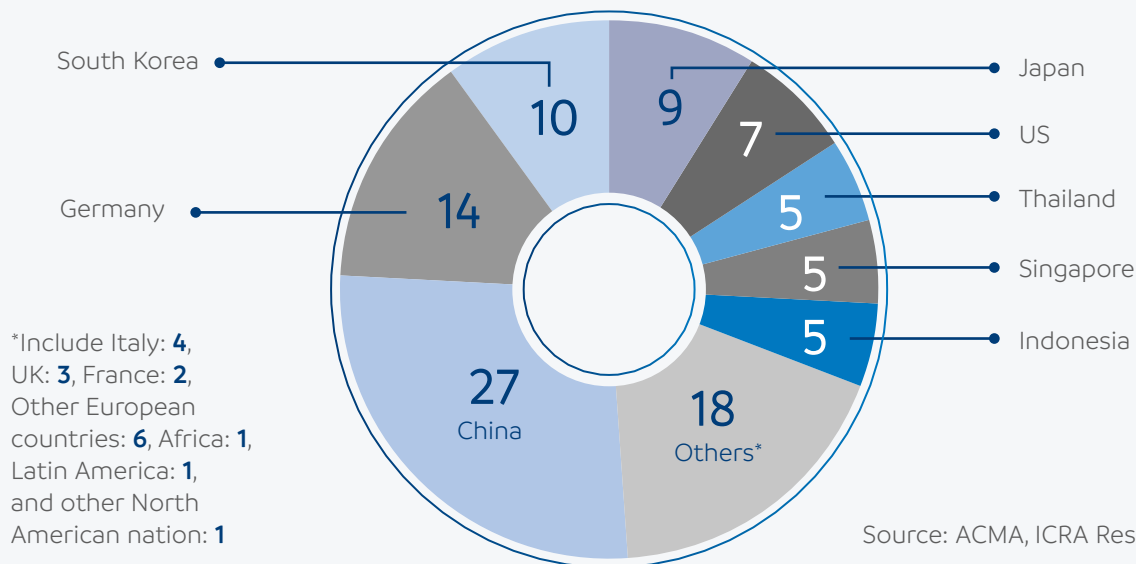
Vehicles manufactured in India sold 2,30,73,438 units in 2019 compared to 2,67,58,787 units in 2018, a de-growth of 13.77%, the sharpest in nearly a decade. With India's auto industry dependent on Chinese imports to the extent of nearly 27% of all imports (electrical to fuel injection parts to steering components), the outlook for renewed imports appears uncertain.

However, the government's initiatives of incorporating electrical vehicles into the public transport systems and deduction of additional income tax of Rs. 1.50 Lakhs on the interest paid on the loans taken to purchase electrical vehicles, may act as a catalyst for the growth of the industry. (Source: Live Mint, ET Auto, IBEF, SAIM)

### The Chinese connection

India's auto industry has significant linkages with China that accounts for 27% of total imports of vehicles parts.

#### Share of countries/regions in auto components exports to India



## Global tyre industry overview

The global automotive tyre market was pegged at US\$ 112.16 billion in 2019 with a volume of 3.2 billion units, growing at a CAGR of 4% between 2014 and 2019. Asia-Pacific accounted for the largest market share – more than 55% due to

the technological advancements and R&D investments.

### Outlook

The global tyre market is projected to reach a volume of 4 billion units

by 2025, growing at a CAGR of 3.7% between 2020 and 2025.

(Source: IMARC, Market Watch)

## Indian tyre industry overview

The Indian tyre market reached a consumption value of 185 million units in 2019, making it the fourth largest market for tyres. The domestic tyre

demand is estimated to de-grown by 4-6% (volume) in FY20, lower than the growth rate of 12% and 5.5% in FY18 and FY19 respectively. The OE tyre

demand is estimated to have de-grown by 12-14% (units) in FY20, whereas the growth of the replacement tyre demand remained flat. However,

domestic tyre exporters are optimistic about long-term prospects due to the continuing decline in tyre imports as a result of anti-dumping duties on Chinese truck and bus radial tyres, along with countervailing duty and customs duty on truck bus radial and passenger vehicle tyres. Over the last few years, Rs. 34,500 Crores was spent

on capital expenditure but some tyre manufacturers deferred their capital expenditure due to the slowdown. (Source: Times of India, IMARC, Economic Times)

### Outlook

The Indian tyre market is projected to reach a consumption volume of

245 million units by 2025, growing at a CAGR of 4.8% between 2020 and 2025. The market will be driven by the increase in radialization and electrical vehicles (Source: ICRA, Economic Times, Business Standard).

## Growth drivers

**Infrastructural development:** A significant growth in the construction of roads and highways and the introduction of five Smart Cities are expected to catalyse tyre demand.

**Electric vehicles:** The Government approved the FAME-II scheme with Rs. 10,000 Crores funding, helping

introduce electrical vehicles into the public transport system.

**Rising investments:** Major tyre manufacturers have capital expenditure worth Rs. 17,000 Crores planned till 2022. The Government of India expects foreign and local investments worth US\$ 8-10 billion in the automobile

sector by 2023.

**Policy boost:** Government initiatives like 'Make in India', 'NEMMP 2020' and 'Automotive Mission Plan 2026' are projected to grow the automobile sector.

## Thailand: The new centre of the tyre universe

- Thailand is the source of 37% of the world's new raw rubber supply.
- The country is the world's largest rubber exporter.
- The country produces every category of tyre (except flat tyres).
- The Thai government plans on increasing tyre production from 530,000 tonnes per year to more than a million tonnes
- The world's tenth-largest tyre maker

(and China's largest) Hagzhou Zhongce Rubber built a new facility in Thailand, as did Linglong Tyre and Double Coin.

- The government-operated Board of Investment announced it would invest US\$100 million to set up a major automotive tyre-testing facility.
- The Board of Investment announced that Bridgestone Corporation, Shandong Linglong Tyre Company, and Goodyear Thailand would invest more than US\$312 million to turn the country

into an ASEAN hub for aircraft tyre manufacture.

- Major global tyre players such as Bridgestone, Michelin, Sumitomo, Yokohama and Goodyear, among others, operate their production facilities in Thailand.
- Thailand's tyre market is projected to cross \$5.6 billion mark by 2022.

(Source: Traction News, Economic Times, Tech Sci Research)

## Financial performance

### Revenues

Revenue during the year stood at Rs. 48,021 Lakh, revenue has decreased by -2.57 % as compared to Rs. 49,289 Lakhs in FY2018-19.

### Interest and finance costs

Net interest and finance costs increased/ by 12.19 % during the year due to an increase in long-term loans taken for the expansion

### Profit after tax

The Company registered a profit after tax of Rs. 3,304 Lakhs compared to Rs. 2,671 Lakhs in the previous year.

### 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 therefor are given below:

Particulars	Standalone			Consolidated		
	2019-20	2018-19	Change	2019-20	2018-19	Change
Debtors Turnover	4.67	5.53	-0.86	6.18	6.85	-0.67
Inventory Turnover	9.32	12.68	-3.36	8.93	10.39	-1.46
Interest coverage Ratio	4.59	3.98	0.61	4.26	4.15	0.11
Current Ratio	1.39	1.22	0.17	0.97	0.89	0.08
Debt Equity Ratio	0.59	0.60	-0.01	0.86	1.00	-0.14
Operating Profit Margin (%)	16.52	11.51	5.01	14.41	10.98	3.43
Net Profit margin (%)	8.07	5.94	2.13	6.88	5.42	1.46
Return on Net worth (%)	15.71	14.90	0.81	20.41	20.35	0.06

### Risk management

#### Raw material risk

**Challenge:** Rising prices and shortage in availability of raw materials posed a challenge for the most companies.

**Mitigation:** The company has been working with select raw material suppliers for years. The Company has been able to maintain its prices through rigorous negotiations with all the suppliers. Consistency of engagement and increasing demand for raw materials has made the Company a preferred customer for most suppliers.

#### Quality risk

**Challenge:** Inconsistent quality could lead to customer attrition.

**Mitigation:** The company strengthened its quality management, substantially moderating wire breakage and enhancing adhesion value. These initiatives enabled the Company to deliver an overall better product to its customers.

#### Customer relationship risk

**Challenge:** A relationship break could mean a revenue setback for the Company.

**Mitigation:** The company's business model is based around customer-centricity and works closely with the technical teams of customer companies, customizing bead wire in line with their precise requirements. The Company even provided presentations on the manufacturing process of bead wire to the technical as well as the shopfloor employees in their factories.

#### Debt risk

**Challenge:** High cost of external funds could affect the long-term health of the business.

**Mitigation:** The company funded nearly 25% of the capacity doubling of its Indian operations through accruals whereas the borrowed funds have been sourced at an average rate of 8.80%, thereby strengthening viability.

#### Product approval risk

**Challenge:** Product approvals by major tyre companies are lengthy processes, which can affect the profitability of the business.

**Mitigation:** The company enjoys approvals (first-time and repeat) from the most prominent and prestigious tyre companies operating out of India and Thailand. Over the years, it has developed a formidable business relationship with these customers.

### Capital cost risk

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

**Mitigation:** The company has been engaged in bead wire manufacture for more than 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 50% of the cost of commissioning a greenfield bead wire unit.

### Customer dependence risk

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

**Mitigation:** The company works with a large number of customers, providing them with the confidence of timely quality supply. The Company has not lost a single major customer in the last 5 years and derived 85% of its revenues from customers associated with the Company for five years or more.

---

## 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.

---

## 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 650 as on 31st March 2020.

---

## 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 32nd Annual General Meeting of the members of Rajratan Global Wire Limited will be held on Tuesday, 21st day of July, 2020 at 12.00 p.m. IST through video conferencing ("VC") Other Audio Visual Means ("OAVM") to transact the following business:

### Ordinary Businesses

1. To receive, consider and adopt the Audited Financial Statements of the Company (including consolidated financial statements) for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Yashovardhan Chordia (DIN-08488886), who retires by rotation, and being eligible, offers himself for reappointment.

### Special Business

3. 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. 25,000 (Rupees Twenty

Five Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses to be paid for each year to Neeraj Maheshwari & Associates, Cost Accountant (Firm Registration No. 002113) 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, 2021 and 31st March, 2020.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized 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."

Dated: 22nd May, 2020  
Place: Indore

By order of the Board of Directors

**Shubham Jain**  
Company Secretary  
(ACS: 35317)

### 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:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and therefore the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Participation of members through VC/ OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act")
4. Institutional / Corporate Shareholders (i.e. other than

individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to vatsalyasharmaandco@gmail.com with copies marked to the Company at investor.cell@rajratan.co.in and to its RTA at instameet@linkintime.co.in

5. Registration of email ID and Bank Account details:

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/ Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

- (i) Kindly log in to the website of our RTA, Link Intime India Private Ltd., www.linkintime.co.in under Investor Services > Email/Bank detail Registration - fill in the details and upload the required documents and submit.

OR

- (ii) In the case of Shares held in Demat mode:

The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

6. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized 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 dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Pvt. Ltd. for assistance in this regard.
7. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Link Intime India Pvt. Ltd. (Company's Registrar and Transfer Agents) in case the shares are held by them in physical form.
8. 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.
9. In case of joint holders, 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 at the AGM.
10. 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.
11. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).
12. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with

the Annual Report for Financial Year 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for Financial Year 2019-20 will also be available on the Company's website [www.rajratan.co.in](http://www.rajratan.co.in), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of Link Intime India Pvt. Ltd. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.

13. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
14. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No. 3 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.
15. 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 or to link intime India Pvt. Ltd.
16. 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.
17. 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: 022-49186000. 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.

18. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 21st July, 2020. Members seeking to inspect such documents can send an email to investor.cell@rajratan.co.in.

19. In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Company has provided a facility to its members to exercise their votes electronically through the electronic voting ("e-voting") facility provided by the Link Intime India Private Limited. Members who have casted their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice. The Board has appointed Mr. Vatsalya Sharma, Practicing Company Secretaries (M. No. 48100 and COP No. 19574), as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.

20. The e-voting period commences on Saturday, 18th July, 2020 (9:00 a.m. IST) and ends on Monday, 20th July, 2020 (5:00 p.m. IST). During this period, members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on 14th July, 2020 may cast their votes electronically. The e-voting module will be disabled by LIPL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast.

21. The facility for voting during the AGM will also be made available. Members present in the AGM through VC/ OAVM and who have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.

22. The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, LIPL and will also be displayed on the Company's website, www.rajratan.co.in.

23. Members may also note that the Notice of the 32nd AGM and the Annual Report for Financial Year 2019-20 will also be available on the Company's website, <https://www.rajratan.co.in>, websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited, at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of LIPL <https://instavote.linkintime.co.in>

#### Instructions for shareholders to vote electronically:

- Log-in to e-Voting website of Link Intime India Private Limited (LIPL)

- Visit the e-voting system of LIPL. 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 LIPL: <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 (last four digits) 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 LIPL: <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 Scrutinizer 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.

Instructions for Shareholders/Members to Attend the Annual General Meeting through InstaMeet:

Instructions for Shareholders/Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:

- 1) Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time. Participation is restricted upto 1000 members only.

Shareholders/ Members will be provided with InstaMeet

facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

1. Open the internet browser and launch the URL for InstaMeet <<<https://instameet.linkintime.co.in>>> and register with your following details:
  - a. Demat Account No. or Folio No.: Enter your 16 digit Demat Account No. or Folio Number registered with the Company
  - b. PAN: Enter your 10 digit Permanent Account Number (PAN)
  - c. Mobile No.
  - d. Email ID
2. Click "Go to Meeting"

**Note:**

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call us: - Tel : ( 022-49186175 )

**InstaMeet Support Desk**

**Link Intime India Private Limited**

**Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:**

Shareholders/ Members who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at [investor.cell@rajraratan.co.in](mailto:investor.cell@rajraratan.co.in) from 16th July, 2020 (9.00 a.m. IST) to 18th July, 2020 (5.00 p.m. IST).

Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [investor.cell@rajratan.co.in](mailto:investor.cell@rajratan.co.in). The same will be replied by the company suitably.

**Note:**

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the

availability of time for the Annual General Meeting.

Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

**Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutiniser during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. 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'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:**

Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call us: - Tel : ( 022-49186175 )

## 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 No. 3 of the accompanying notice dated 22nd May, 2020 -

### Item No. 3

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.

On 19<sup>th</sup> May, 2020 the M/s Sushil Mantri & Associates, Practicing Cost Accountants (Firm Registration No. 101049) resigned from the office of Cost Auditor causing casual vacancy. Such Casual vacancy was filed by the Board in its meeting held on 22<sup>nd</sup> May, 2020 by appointing M/s. Neeraj Maheshwari & Associates, Cost Accountant (Firm Registration No. 002113), Practicing Cost Accountants.

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved at their meeting held on 22nd May, 2020 the appointment of M/s. Neeraj Maheshwari & Associates, Cost Accountant (Firm Registration No. 002113), Practicing Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ended 31st March, 2021 and 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. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for both the financial years. The Board recommends the resolution set forth in Item No. 3 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.

Dated: 22nd May, 2020

By order of the Board of Directors

Place: Indore

**Shubham Jain**

*Company Secretary*

(ACS: 35317)

### 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 Director eligible for re-appointment vide item no. 2 is as follows**

Nature of information	Item No.2 of notice
Name	Mr. Yashovardhan Chordia
Date of birth	7th August, 1989
Age	30 Years
Date of Appointment	22nd July, 2019
Educational Qualification	BBA (Finance)
Experience	8 Years
Expertise in functional areas / Brief resume	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.
Details of shares held in the Company	625333
List of Companies in which outside directorship held	Nil
Member/ Chairman of Committees of other Companies on which he is a director*	Nil
Relationship with any Director(s) of the Company	Mr Yashovardhan Chordia is son of Mr Sunil Chordia Chairman and Managing Director of Company
Number of board meeting attended during the year*	3
Terms and condition of appointment / re-appointment	Non-executive director liable to retire by rotation
Remuneration to be paid	Nil
Last drawn remuneration	Nil

\*Appointed as director, w.e.f. 22nd July, 2019. Three meeting were held since his appointment.

# Board's Report

To the members,

Your Directors present the 32<sup>nd</sup> 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 2020.

## 1. Financial Results

(Rs. In Lakhs)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations	28614	31456	48021	49289
Other Income	163	224	117	170
Profit before Depreciation, Interest & Tax	4727	3622	6919	5410
Interest & Financial Charges	914	812	1339	1081
Profit before Depreciation	3813	2810	5580	4329
Less: Depreciation	534	391	1209	919
Profit before Taxation & Exceptional Items	3279	2419	4371	3410
Add: Exceptional Items	0	0	0	0
Profit before Taxation	3279	2419	4371	3410
Less: Provision for taxation				
-Current Tax	701	594	755	594
-Deferred Tax	268	(44)	312	145
Income Tax for earlier years				
Profit After Tax	2310	1869	3304	2671
Less: Minority Interest				
Profit for the year	2310	1869	3304	2671
Profit/(Loss) for the period	2310	1869	3304	2671
Other Comprehensive Income				
(a) Items that will not be reclassified to Profit or Loss	(52)	(12)	(52)	(12)
(b) Items that will be reclassified to Profit or Loss			205	155
Total Comprehensive Income for the year	2258	1857	3457	2814
Total Comprehensive Income attributable to				
Parent Company	2258	1857	3457	2814
Non Controlling Interest				
Total Comprehensive Income for the year	2258	1857	3457	2814



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

The company's performance during Financial Year 2019-20 on a standalone and consolidated basis were as follows -

### A. On standalone basis

Your Company's standalone operations reported an decrease of 9.03 % to reach Rs. 28614 lakhs in FY 2019-20 in comparison to Rs. 31456 lakhs in FY 2018-19. EBITDA before exceptional items increased by 5.01%. The Company's net profit before comprehensive income increased from Rs. 1869 Lakhs in FY 2018-19 to Rs. 2310 lakhs FY 2019-20.

### B. Consolidated revenues

Your Company's consolidated operations reported an decrease of 2.57 % to reach Rs. 48021 lakhs in FY 2019-20 in comparison to Rs. 49288 Lakhs in FY 2018-19. EBITDA before exceptional items increased by 3.43% as a result of an decrease in raw material prices , customer engagement and cost management. The Company's net profit before comprehensive income increased from Rs. 2671 Lakhs in FY 2019-20 to Rs. 3304 Lakhs in FY 2019-20.

## 3. Economic scenario

India emerged as the fifth-largest economy with a Gross Domestic Product of US\$ 2.94 trillion. There was a decline in consumer spending that affected India's GDP growth during the year under review. India's growth for FY2019-20 was estimated at 4.2% compared with 6.1% in the previous year. Manufacturing growth was seen at 2%, a 15-year low as against 6.9% growth in FY19. A sharp slowdown in economic growth and a surge in inflation weighed on the country's currency rate; the Indian rupee emerged as one of the worst performers among Asian peers, marked by a depreciation of nearly 2% since January 2019. Retail inflation climbed to a six-year high of 7.35% in December 2019.

## 4. Prospects and Outlook

Despite the economic slowdown, your Company is well placed to counter the challenges. Your Company increased its consolidated manufacturing capacity to 1,06,800 TPA (India and Thailand), which will enable it to increase its market share significantly; it expanded at one of the lowest capital costs per tonne. The Company also placed immense focus on improving its ability to service customers. Despite the imposed lockdown due to the outbreak of the novel coronavirus, the Company is optimistic. The outbreak of the novel coronavirus, coupled with the ongoing India-China dispute could result in a decline

in the decline in import of Chinese tyres. If the demand outlook remains muted, the Company believe it will be able to carve away the market share of existing players on account of larger bead wire capacity, strong order book (especially in Thailand), enduring customer relationships and a portfolio of high-end bead wire addressing the needs of some of the most demanding customers

## 5. Dividend

The Board of Directors of the Company at its meeting held on 29th February, 2020, has declared an interim dividend of Rs. 2.00 per equity share of the face value of Rs. 10 each (@ 20%). The total dividend pay-out amounted to Rs. 245 Lakhs (including dividend distribution tax of Rs. 42 Lakhs). No final dividend is recommended for the year ending 31<sup>st</sup> March, 2020.

## 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. 1825 Lakhs to the General Reserve out of the amount available for appropriation.

## 7. Issue of Bonus Shares

The Company allotted 58,02,400 equity shares as fully paid-up bonus shares in the ratio of 4:3 (four fully paid up equity share for every three existing equity share held on the record date) to its shareholders on 14th September, 2019, pursuant to a resolution passed by the shareholders on 28th August, 2019 by postal ballot.

## 8. Share Capital

The paid up share capital at the beginning of the year was Rs. 435 Lakhs and authorised share capital was Rs. 815 Lakhs. During the year company allotted Bonus Shares in the ratio of 4:3 (four fully paid up equity share for every three existing equity share held on the record date), consequently the paid up capital of the company increased to Rs. 1015 Lakhs. The Authorised capital of the Company was also increased to Rs. 1500 Lakhs to accommodate the bonus issue of shares.

## 9. 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 subsidiary.

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)).

#### **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 10.5 % in sales volume to reach 27829 MT compared to 25186 MT in the previous year. Net revenues increased by 5.62 % to reach Rs. 19441 lakhs as compared to Rs.18406 Lakhs in the previous year. Profit after tax stood at Rs. 994 Lakhs compared to Rs. 991 Lakhs in the previous year.

### **10. 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:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b) 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.

### **11. Deposits:**

The Company has not accepted any fixed deposit from the public during the financial year ended 31st March, 2020 within the meaning of section 73 and 74 of the Companies Act, 2013 read with the relevant rules.

### **12. 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. During the year the company had made application for listing of its equity shares on National Stock Exchange of India Ltd. and the equity shares of the Company have been listed and admitted to dealing on National Stock Exchange of India Ltd. w.e.f. 22nd May, 2020.

### **13. 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.

### **14. 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**

The outbreak of the novel coronavirus pandemic is causing significant discrepancies in economic activities, the impact of which has been discussed in Chairman and Managing Director's overview as well as the Management Discussion and Analysis, which forms part of this Annual Report.

### **15. 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. 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.

### **16. Directors and key managerial personnel**

During the year under review Mrs. Sangita Chordia (DIN – 00147150) resigned from the post of Executive Director of the Company due to personal reasons. The first term of office of Mr. Shiv Singh Mehta, Mr. Surendra Singh Maru and Mr. Chandrashkhar Bobra, as Independent Directors, expired at the thirty first Annual General Meeting. Mr. S S Maru and Chandrashkhar Bobra requested the Board not to consider them for re-appointment and relieve them from the office of the director after the expiry of their term. In the thirty first Annual General Meeting Mr. Shiv Singh Mehta was reappointed as Independent Director for second term of three years, Mr. Rajesh Mittal and Mrs. Aparna Sharma have been appointed as independent director for first term of three years and Mr. Yashovardhan Chordia has been appointed as non-executive director, liable to retire by rotation.

In accordance with the provisions of section 152 the Companies Act, 2013 and the Articles of Association of the company Mr. Yashovardhan Chordia (08488886) shall retire by rotation at the ensuing AGM and being eligible offer himself for re-appointment.

The brief resume of the Mr. Yashovardhan Chordia 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. The Company has received declarations from all the Independent Directors of the Company confirming that:

- a) they meet the criteria of independence prescribed under the Act and the Listing Regulations and
- b) they have registered their names in the Independent Directors' Databank.

In the opinion of Board the independent directors appointed during the year possess the required integrity, expertise and experience.

In terms of Section 203 of Companies Act, 2013, Mr. Sunil Chordia, Mr. Hitesh Jain and Mr. Shubham Jain are key managerial personnels of the Company.

### 17. Number of meetings of the board

Five 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 2019-20 are given in the Corporate Governance Report, which forms part of this Annual Report.

### 18. 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.

### 19. 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.

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

The Company has in place policy for directors' appointment and remuneration and other matters provided in Section 178(3) of the Act which is available on the website of the company at [www.rajratan.co.in/investors](http://www.rajratan.co.in/investors).

### 21. 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 Chairman and Managing Director of your Company does not receive remuneration from any of the subsidiaries of your Company.

### 22. Transactions with related parties

During the Financial Year 2019-20, 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 2019-20, 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 2019-20, 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. 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.

### 23. 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.

## 24. Loans, Guarantees and Investment

The company has given loans and issued guarantee in favor of its wholly- owned subsidiary viz. Rajratan Thai Wire 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.

## 25. Auditors:

### a. Statutory Auditors:

At the 29th AGM held on 11th August, 2017 the Members approved appointment of M/s D S Mulchandani & Co., Chartered Accountants, Indore (ICAI Firm Registration No. 021781C) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 34th AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the twenty-fifth AGM.

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.

M/s Sushil Mantri & Associates, Practicing Cost Accountants (Firm Registration No. 101049) on 19<sup>th</sup> May, 2020 from the office of Cost Auditor causing casual vacancy. Such Casual vacancy was filed by the Board in its meeting held on 22<sup>nd</sup> May, 2020 by appointing M/s. Neeraj Maheshwari & Associates, Cost Accountant (Firm Registration No. 002113), Practicing Cost Accountants.

Further the Board of Directors on the recommendation of Audit Committee, has appointed M/s Neeraj Maheshwari & Associates, Cost Accountant (Firm Registration No. 002113), Practicing Cost Accountants to conduct the audit of the cost

accounting records of the Company for Financial year 2020-21. 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, 2019, 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.

## 26. Statutory Auditor's report and secretarial audit report

The Statutory Auditors report for the financial year ended 31st March, 2020 does not contain any qualification, reservation or adverse remark. The Report of the Secretarial Auditor is annexed to this Report as Annexure VII. The said report does not contain any qualification, adverse observations/ remarks. The observations made therein, are self explanatory.

## 27. 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.

## 28. 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.

## 29. 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 familiarize 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) Dematerialisation 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 31<sup>st</sup> March, 2020, 98.72% of the share capital stands dematerialized.

**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) Regulation, 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 which forms part of this Annual Report.

**l)** The details of credit ratings are disclosed in the Corporate Governance Report, which forms part of the Annual Report.

**m)** In accordance with the provisions of the Act and Listing Regulations read with relevant accounting standards, the consolidated audited financial statement forms part of this Annual Report.

**n)** The Company has followed applicable Secretarial Standards, issued by the Institute of Companies Secretaries of India.

**o)** As required under Section 134(3)(a) of the Act, the Annual Return is put up on the Company's website i.e. [www.rajratan.co.in/investors](http://www.rajratan.co.in/investors)

**p)** As per the provisions of Companies (Acceptance of Deposits) Rules, 2014 the company has taken unsecured loan from

directors and the details of such loans have been disclosed in the 'Notes to Account' and outstanding balance as on 31.03.2020 is Rs. 38.41 Lakhs.

### 30. Management Discussion and Analysis

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

### 31. Cautionary Note:

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.

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

The Annexures referred to in this Report and other information which are required to be disclosed are annexed herewith and form a part of this Report:

Annexure	Particulars
I	Particulars of Conservation of Energy, Technology and Foreign Exchange
II	Report on Corporate Social Responsibility
III	Managerial Remuneration and Particulars of Employees
IV	Related Party Transactions
V	Extract of the Annual Return in Form MGT-9
VI	Secretarial Audit Report
VII	Corporate Governance Report

Annexure	Particulars
VIII	Certificate on Corporate Governance Report
IX	AOC-1

### 33. 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 improvements 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.

### 34. 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: 22nd May, 2020

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

**Shiv Singh Mehta** Director  
DIN- 00023523

## 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;

- Installed LED Highway, Flood and 2\*2 Panel lights in the new plant. Almost 200 locations.
- Used timer and installed centralized system for lighting to control light as per required time intervals
- Used centralized cooling tower system with pressure control and VFD to save energy consumption.
- Removed all cable joints and used overhead cable systems to reduce cable loss across the whole plant.
- Used two transformers for rationalising the loading of transformers to avoid additional losses and save the transformer from overloading.
- Using power-efficient screw-air compressors with VFD control to reduce energy consumption.
- Increased the use of transparent louvers to increase the lux level in the plant at PAT-2 and other locations
- Modified the programme to stop the machine blower if the machine stopped for more than half an hour
- Made new panel room with Rockwool to reduce the heat loss from the panel room at every new location
- Installed lead pump to maintain uniform temperature and reduce the LNG consumption.
- Used SCADA system for the process line to control automatic process parameters and reduce the energy consumption from dosing, rectifier systems and other systems

#### 2) the steps undertaken by the company for utilizing alternate source of energy; Purchase of solar and wind power as alternative source of energy

#### 3) the capital investment on energy conservation equipment's;

- Capital investment for Energy conservation – Rs. 400 Lakhs.
- Repair maintenance - Rs. 20.00 Lakhs.

### B. Technology Absorption -

#### i) The efforts made towards technology absorption

- Installation of filter press in all chemical bath with new coating line to increase the longevity, which results in reduced chemical consumption.
- Installation of multiple rinses with multiple air wipes to reduce the water consumption as well as to get better surface area from any foreign materials.
- Installation of scrubbers in patenting - 1, patenting- 2 coating line HCL baths to avoid any HCL fumes coming out from bath.

- Installation of auto dosing system in all chemical bath in coating line to maintain bath concentration in very close range.

#### ii) The benefits derived like product improvement, cost reduction, product development or import substitution

- Improved production efficiency: Wire drawing efficiency increased from 84 to 85 %.
- Reduced Conversion Cost
- Increased the plant capacity from 36000 to 72000 MT/ Year.
- Developed the 1.55 mm bead wire for Michelin, the number one tyre company in the world.
- Reduced the wire breakage from 8 to 4 no / machine/ month.

#### iii) 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 last 3 years.

#### iv) Expenditure on R&D / Product Development

(Rs. In Lakhs)

Particulars	2019-20	2018-19
Capital (Excl CWIP)	10.40	4.20
Recurring	86.49	84.46
<b>Total</b>	<b>96.89</b>	<b>88.66</b>

#### V) 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	2019-20	2018-19
Foreign Exchange Earned	437	1010
Foreign Exchange Used	244	3709

For and on behalf of the Board

Place: Indore  
Dated: 22nd May, 2020

**Sunil Chordia** **Shiv Singh Mehta**  
Chairman & Director  
Managing Director DIN- 00023523  
DIN - 00144786

## 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.	<p>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.</p> <p>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>.</p>
2	Composition of CSR Committee:*	<p>Mr. Shiv Singh Mehta – Chairman            Abhishek Dalmia – Member            Mrs. Aparna Sharma – Member            Mr Sunil Chordia – Member</p>
3	Average net profit of the Company for last three financial years:	Rs. 1653 Lakhs
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above):	Rs. 33 Lakhs
5	Details of CSR spend for the financial year:	<p>(a) Total amount spent for the financial year: Rs 47 Lakhs</p> <p>(b) Amount unspent, if any: NIL</p> <p>(c) Manner in which the amount spent during the financial year: attached</p>
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

\*Mr. S S Maru ceased to be chairman of this Committee consequent to the completion of his term as Independent Director w.e.f. 22nd July, 2019 and Mrs. Sangita Chordia ceased to be a member of this committee consequent to her resignation w.e.f. 22nd July, 2019. Mr. Shiv Singh Mehta was appointed as Chairman and Mr. Abhishek Dalmia and Mrs. Aparna Sharma were appointed as member of the committee w.e.f. 22<sup>nd</sup> July, 2019.

For and **on behalf of the Board**

Place: Indore  
 Dated: 22nd May, 2020

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

**Shiv Singh Mehta**  
 Director  
 DIN- 00023523



## Annexure to the Corporate Social Responsibility Annual Report

Manner in which the amount spent during the financial year is detailed below:

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 Education	Promoting Education	Local Area, Pithampur Dist Dhar, Indore, Khargone and Haryana	Rs. 11.85	Direct Expenditure	Rs. 11.85	Rajratan Foundation, Literacy India, Friends of Tribal Society
2	Support to under privileged patients to avail treatment for facial deformities  Providing medical services to under privileged families.	Health Care	Local Area, Pithampur Dist Dhar, Mumbai	Rs.23.33	Direct Expenditure	Rs. 23.33	Rajaratn Foundatiom, Inga Health Foundation, Sankara Eye Foundation
3	Livelihood enhancement project	Livelihood enhancement project	Local Area, Pithampur Dist Dhar	Rs. 6.97	Direct Expenditure	Rs. 6.97	Rajratan Foundation, Abyas Mandal, Madhya Pradesh Labour Welfare Board
4	Training to promote nationally recognized sports	Promoting Sports	Local Area, Indore	Rs. 0.20	Direct Expenditure	Rs. 0.20	Rajratan Foundation
6	Ensuring environmental sustainability	Plantation	Local Area, Indore	Rs. 4.52	Direct Expenditure	Rs. 4.52	Rajratan Foundation

### Annexure – III

## 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;	<table border="1"> <tr> <td>Mr. Sunil Chordia</td> <td>3739</td> </tr> <tr> <td>Mr. Shiv Singh Mehta</td> <td>46.29</td> </tr> <tr> <td>Mr. Abhishek Dalmia</td> <td>20.37</td> </tr> </table> <p>The median remuneration of the employees of the Company was Rs. 2.70 Lakhs.</p>	Mr. Sunil Chordia	3739	Mr. Shiv Singh Mehta	46.29	Mr. Abhishek Dalmia	20.37
Mr. Sunil Chordia	3739						
Mr. Shiv Singh Mehta	46.29						
Mr. Abhishek Dalmia	20.37						
i) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the year;	<table border="1"> <tr> <td>Mr. Sunil Chordia</td> <td>28%</td> </tr> <tr> <td>Mr. Hitesh Jain</td> <td>13%</td> </tr> <tr> <td>Mr. Shubham Jain</td> <td>14%</td> </tr> </table>	Mr. Sunil Chordia	28%	Mr. Hitesh Jain	13%	Mr. Shubham Jain	14%
Mr. Sunil Chordia	28%						
Mr. Hitesh Jain	13%						
Mr. Shubham Jain	14%						
ii. The percentage increase in the median remuneration of employees in the financial year	During the financial year, the percentage increase in the median remuneration of employee as compared to previous year was approximately 9.79%						
iii. The number of permanent employees on the rolls of Company	There were 388 employees as on 31st March 2020.						
iv) i. 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 19%.						
v. Affirmation that the remuneration is as per the remuneration policy of the company	Yes						

Figures have been rounded off wherever necessary

The percentage increase of remuneration is provided for only those directors who have drawn remuneration / sitting fees from the company for Financial Year 2019-20. The ratio of remuneration to median remuneration of all employee is provided only for those directors who have drawn remuneration/sitting fees for full Financial Year 2019-20.

The sitting fees was increased from Rs. 0.10 Lakh to Rs. 0.15 Lakh for attending each meeting of Board and Audit Committee.

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, 2020.

### Top 10 employees in terms of remuneration drawn during the Financial Year 2019-20

Sr. No.	Name of employee	Designation of the employee	Remuneration received (Rs. in Lakhs)	Qualification	Experience	Date of commencement of employment	Age	Previous employment
1	Mr Sunil Chordia	Chairman & Managing Director	100.96	BSC., DCMA, MBA	32 Years	09.09.1988	56	-
2	Mr A.K. Sinha	Associate Vice President – Production	24.93	BE	32 Years	05-Jan-95	58	M/s Arati Steel Ltd

Sr. No.	Name of employee	Designation of the employee	Remuneration received	Qualification	Experience	Date of commencement of employment	Age	Previous employment
			(Rs. in Lakhs)					
3	Mrs. Sangita Chordia*	GM - Welfare and CSR	20.25	B.Com	10 Years	05-May-2010	54	-
4	Mr Parag Khanwalkar	General Manager – Marketing	17.92	BSC, MBA	32 Years	01-Mar-07	52	M/s Vishal Fabricators Pvt Ltd
5	Mr Manish Dalal	Associate General Manager - Commercial	15.49	BSC, MBA, LLB	25 Years	19-Jun-96	47	M/s Neo Sack Ltd, Indore
6	Mr Shailendra Singh Kushwah	Associate General Manager – Project	12.14	BE	16 Years	18-Mar-06	38	M/s Sonic Biochem Extravion Ltd.
7	Mr Hitesh Jain	Chief Financial Officer	12.04	M.Com, LLB	24 Years	22-Jun-98	43	M/sKuber Group of Companies
8	Mr Shailesh Shah	Manager – Marketing	11.88	B.Com	25 Years	01-Aug-95	47	-
9	Pankaj Dubey	AGM – Mechanical Maintenance	11.31	BE	16 Years	16-May-2005	38	-
10	Mr Yogesh Kumrawat	Manager – Finance	10.74	M.Com, MBA (Finance)	19 Years	24-Jan-01	41	-

**Notes:**

1. Remuneration shown above includes basic salary, allowances, leave travel allowance, 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

\*Mrs. Sangita Chordia has been appointed has GM – Welfare and CSR w.e.f. 23rd July, 2019 prior to which she was on the Board of the Company as Executive Director. Her remuneration shown in table above includes her remuneration in both capacities.

For and **on behalf of the Board**

Place: Indore

Dated: 22nd May, 2020

**Sunil Chordia**

Chairman & Managing Director  
DIN - 00144786

**Shiv Singh Mehta**

Director  
DIN- 00023523

## Annexure – IV

### 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 has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during Financial Year 2019-20.
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 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
Semac Consulting, LLP over which director is able to exercise significant influence	Purchase of Capital assets and misc items.	April 2019 to March 2020		
Ms. Shubhika Chordia, Relative of Mr. Sunil Chordia, Chairman and Managing Director	Appointment in place of profit	April 2019 to March 2020		
Ms. Sangita Chordia, Relative of Mr. Sunil Chordia, Chairman and Managing Director	Appointment in place of profit	23rd July, 2019 to March, 2020		

#### Note –

1. Appropriate approvals have been taken for related party transactions.
2. Advances paid as on 31.03.2020 - NIL.

For and **on behalf of the Board**

Place: Indore  
Dated: 22nd May, 2020

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

**Shiv Singh Mehta**  
Director  
DIN- 00023523

## Annexure-V 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

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

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

SN	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-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	

##### A. Promoters

###### (1) Indian

a) Individual/ HUF	15,99,092	-	15,99,092	36.75%	13,01,317	-	13,01,317	12.82%	-23.93%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	11,64,301	-	11,64,301	26.75%	27,43,102	-	27,43,102	27.01%	0.26%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Promoter Trust	-	-	-	-	24,76,581	-	24,76,581	24.39%	24.39%
<b>Sub Total (A) (1)</b>	<b>27,63,393</b>	<b>-</b>	<b>27,63,393</b>	<b>63.50%</b>	<b>65,21,000</b>	<b>-</b>	<b>65,21,000</b>	<b>64.22%</b>	<b>0.72%</b>

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
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>	27,63,393	-	27,63,393	63.50%	65,21,000	-	65,21,000	64.22%	0.72%
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	3,41,751	-	3,41,751	7.85%	8,75,418	-	8,75,418	8.62%	0.77%
b) Banks / FI	211	-	211	0.00%	520	-	520	0.01%	0.01%
c) Central Govt	-	-	-	-	-	-	-	-	-
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>3,50,284</b>	<b>-</b>	<b>3,50,284</b>	<b>8.05%</b>	<b>8,75,938</b>	<b>-</b>	<b>8,75,938</b>	<b>8.63%</b>	<b>-0.58%</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	1,01,785	400	1,02,185	2.35%	209854	933	2,10,787	2.08%	-0.27%
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	487285	63,935	5,51,220	12.67%	922573	1,13,350	10,35,923	10.20%	-2.46%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	491650	-	4,91,650	11.30%	1337904	16333	13,54,237	13.34%	2.04%
<b>c) Others (specify)</b>									
NBFCs registered with RBI	-	-	-	-	3500	-	3500	0.03	0.03
IEPF	20156	-	20156	0.46	48130	-	48130	0.47%	0.47%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Non Resident Indians (Non Repat)	2637	-	2,637	0.06%	7634	-	7,634	0.08%	0.01%
Non Resident Indians (Repat)	11413	-	11,413	0.26%	27232	-	27232	0.27%	0.01%
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	20669	-	20,669	0.47%	3754	-	3,754	0.04%	-0.44%
Trusts	272	-	272	0.01%	634	-	634	0.01%	0.00%
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
HUF	37921	-	37,921	0.87%	65431	-	65,431	0.64%	-0.23%
Sub-total (B)(2):-	11,73,788	64,335	12,38,123	28.45%	26,26,646	1,30,616	27,57,262	27.15%	-1.30%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	15,24,072	64,335	15,88,407	36.50%	35,02,584	1,30,616	36,33,200	35.78%	-0.72%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	42,87,465	64,335	43,51,800	100%	1,00,23,584	1,30,616	1,01,54,200	100%	-

**(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 total Shares of the company % of Shares Pledged / encumbered to total shares	
1	Rajratan Investments Limited	782881	17.99%	-	1853122	18.25%	-	0.26%
2	Sangita Chordia	580433	13.34%	-	23332	0.23%	-	-13.11%
3	Sunil Chordia	500959	11.51%	-	70019	0.69%	-	-10.82%
4	Rajratan Resources Pvt Ltd.	381420	8.76%	-	889980	8.76%	-	0.00%
5	Yashovardhan Chordia	268000	6.16%	-	625333	6.16%	-	0.00%
6	Sunil Kumar Chandan Mal Huf	180000	4.14%	-	420000	4.14%	-	0.00%
7	Shubhika Chordia	65200	1.50%	-	152133	1.50%	-	0.00%
8	Mohini Chordia	4500	0.10%	-	10500	0.10%	-	0.00%
	Sangita Chordia Family Trust	-	-	-	1331010	13.11%	-	13.11%
	Sunil Chordia Family Trust	-	-	-	1145571	11.28%	-	11.28%
	<b>Total</b>	<b>2763393</b>	<b>63.50%</b>	<b>-</b>	<b>6521000</b>	<b>64.22%</b>	<b>-</b>	<b>0.72%</b>

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

SN	Name of Shareholder	Name of shareholder year		% of total shares of the Company		% Of total shares of the company	
		No.Of shares held	% Of total shares of the Company	Date of transaction	No. of shares	Date of transaction	No. of shares
	RAJRATAN INVESTMENTS LIMITED	782881	17.99				
	Bonus			20 Sep 2019	1043841	1826722	17.99
	Acquisition			20 Mar 2020	26400	1853122	18.25
	SANGITA CHORDIA FAMILY TRUST	0	0				
	Transfer			06 Sep 2019	570433	570433	13.11
	Bonus			20 Sep 2019	760577	1331010	13.11
	SUNIL CHORDIA FAMILY TRUST	0	0				
	Transfer			06 Sep 2019	490959	490959	11.28
	Bonus			20 Sep 2019	654612	1145571	11.28
	RAJRATAN RESOURCES PVT LTD.	381420	8.76				
	Bonus			20 Sep 2019	508560	889980	8.76
	YASHOVARDHAN CHORDIA	268000	6.16				
	Bonus			20 Sep 2019	357333	625333	6.16
	SUNIL KUMAR CHANDAN MAL HUF	180000	4.14				
	Transfer			20 Sep 2019	240000	420000	4.14
	SHUBHIKA CHORDIA	65200	1.50				
	Bonus			20 Sep 2019	86933	152133	1.50
	SUNIL CHORDIA	500959	11.51				
	Transfer			06 Sep 2019	(490959)	10000	0.22
	Bonus			20 Sep 2019	13332	23332	0.23
	Transfer			20 Mar 2020	46687	70019	0.69
	SANGITA SUNIL CHORDIA	580433	13.34				
	Transfer			06 Sep 2019	(570433)	10000	0.10
	Transfer			20 Sep 2019	13332	23332	0.23
	MOHINI CHORDIA	4500	0.10				
	Transfer			20 Sep 2019	6000	10500	0.10

(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 - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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	341751	7.8530			341751	7.8530
	Transfer			26 Apr 2019	-3000	338751	3.3361
	Transfer			20 Sep 2019	451667	790418	7.7841
	Transfer			24 Jan 2020	56998	847416	8.3455
	Transfer			31 Jan 2020	4329	851745	8.3881
	Transfer			07 Feb 2020	23673	875418	8.6212
	At the end of the year					875418	8.6212
2	Karthik Sundar	67016	1.5399			67016	1.5399
	Transfer			05 Apr 2019	19171	86187	0.8488
	Transfer			26 Apr 2019	3578	89765	0.884



SN	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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
	Transfer			17 May 2019	2400	92165	0.9077
	Transfer			24 May 2019	1736	93901	0.9248
	Transfer			31 May 2019	8800	102701	1.0114
	Transfer			07 Jun 2019	2299	105000	1.0341
	Transfer			14 Jun 2019	2000	107000	1.0538
	Transfer			21 Jun 2019	4000	111000	1.0931
	Transfer			20 Sep 2019	148000	259000	2.5507
	Transfer			08 Nov 2019	20000	279000	2.7476
	Transfer			22 Nov 2019	80000	359000	3.5355
	Transfer			29 Nov 2019	40000	399000	3.9294
	Transfer			31 Dec 2019	26061	425061	4.1861
	Transfer			20 Mar 2020	-10063	414998	4.087
	At the end of the year					414998	4.087
3	Vanaja Sundar Iyer	103072	2.3685			103072	2.3685
	Transfer			31 May 2019	-20000	83072	0.8181
	Transfer			07 Jun 2019	-29000	54072	0.5325
	Transfer			20 Sep 2019	72096	126168	1.2425
	Transfer			06 Mar 2020	-200	125968	1.2406
	Transfer			20 Mar 2020	-1256	124712	1.2282
	At the end of the year					124712	1.2282
4	D Srimathi	48777	1.1208			48777	1.1208
	Transfer			26 Apr 2019	2406	51183	0.5041
	Transfer			29 Jun 2019	400	51583	0.508
	Transfer			20 Sep 2019	68777	120360	1.1853
	At the end of the year					120360	1.1853
5	Chandrakant Nagar	50200	1.1535			50200	1.1535
	Transfer			20 Sep 2019	66933	117133	1.1535
	At the end of the year					117133	1.1535
6	Kishan Gopal Mohta	43920	1.0092			43920	1.0092
	Transfer			29 Jun 2019	797	44717	0.4404
	Transfer			05 Jul 2019	-797	43920	0.4325
	Transfer			26 Jul 2019	2924	46844	0.4613
	Transfer			02 Aug 2019	-828	46016	0.4532
	Transfer			06 Sep 2019	999	47015	0.463
	Transfer			13 Sep 2019	4621	51636	0.5085
	Transfer			20 Sep 2019	63844	115480	1.1373
	Transfer			27 Sep 2019	421	115901	1.1414
	Transfer			18 Oct 2019	5	115906	1.1415
	Transfer			25 Oct 2019	2052	117958	1.1617
	Transfer			01 Nov 2019	10	117968	1.1618
	Transfer			10 Jan 2020	1271	119239	1.1743
	Transfer			17 Jan 2020	3045	122284	1.2043
	At the end of the year					122284	1.2043
7	Abha Suresh Chordia	23236	0.5339			23236	0.5339
	Transfer			20 Sep 2019	30981	54217	0.5339
	At the end of the year					54217	0.5339
8	Smit Capital Services Private Limited	49520	1.1379			49520	1.1379

SN	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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
	Transfer			20 Sep 2019	66026	115546	1.1379
	Transfer			13 Mar 2020	-70000	45546	0.4485
	Transfer			27 Mar 2020	1	45547	0.4486
	At The End Of The Year					45547	0.4486
9	Sushiladevi Ashokkumar Mahansaria	16450	0.3780			16450	0.3780
	Transfer			20 Sep 2019	21933	38383	0.378
	At the end of the year					38383	0.378
10	Manoj Dua	20691	0.4816			20691	0.4816
	Transfer			26 Apr 2019	45	20736	0.2042
	Transfer			10 May 2019	605	21341	0.2102
	Transfer			17 May 2019	4267	25608	0.2522
	Transfer			24 May 2019	3647	29255	0.2881
	Transfer			31 May 2019	4944	34199	0.3368
	Transfer			7 June 2019	-47	34152	0.3363
	Transfer			14 June 2019	-6376	27776	0.2735
	Transfer			21 June 2019	-2000	25776	0.2538
	Transfer			26 July 2019	-775	25001	0.2462
	Transfer			13 Sept 2019	-3000	22001	0.2167
	Transfer			20 Sept 2019	31334	53335	0.5253
	Transfer			4 Oct 2019	-6422	46913	0.4620
	Transfer			20 Dec 2019	120	47033	0.4632
	Transfer			27 Dec 2019	-928	46105	0.454
	Transfer			31 Dec 2019	-1545	44560	0.4388
	Transfer			03 Jan 2020	-1673	42887	0.4224
	Transfer			10 Jan 2020	-8967	33920	0.3340
	At the end of the year					33920	0.3340

**(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	Mr. Sunil Chordia						
	At the beginning of the year	01.04.2019		5,00,959	11.51%	5,00,959	11.51%
	Changes during the year		Transfer	(4,90,959)	-11.28%	10,000	0.23%
			Bonus	13,332	0.13%	23,332	0.23%
			Transfer	46,687	0.46%	70,019	0.69%
	At the end of the year	31.03.2020		70,019	0.69%	70,019	0.69%
2	Mrs. Sangita Chordia*						
	At the beginning of the year	01.04.2019		5,80,433	13.34%	5,80,433	13.34%
	Changes during the year		Transfer	(5,70,433)	-13.11%	10,000	0.10%
			Bonus	13,332	0.13%	23,332	0.23%
3	Mr. Yashovardhan Chordia#						
	At the beginning of the year	01.04.2019		2,68,000	6.16%	2,68,000	6.16%
	Changes during the year		Bonus	3,57,533	3.52%	6,25,533	6.16%
	At the end of the year	31.03.2020		6,25,533	6.16%	6,25,533	6.16%

\* Stepped down w.e.f. 22nd July, 2019

#Appointed w.e.f. 22nd July, 2019

## 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>(I) Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	7,306	220	-	7,526
ii) Interest due but not paid	13	-	-	13
iii) Interest accrued but not due	12	-	-	12
iv) Cee Cee Merger	-	-	-	-
v) IND AS Impact	(8)	-	-	(8)
Total (i+ii+iii)	7,323	220	-	7,543
<b>(II) Change in Indebtedness during the financial year</b>				
* Addition	936	(30)	-	906
* Reduction	-	-	-	-
Net Change	936	(30)	-	906
<b>(III) Indebtedness at the end of the financial year</b>				
i) Principal Amount	8,242	190	-	8,432
ii) Interest due but not paid	13	-	-	13
iii) Interest accrued but not due	20	-	-	20
iii) IND AS Impact	(16)	-	-	(16)
Total (I+II+III)	8,259	190	-	8,449

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 (Rs. in Lakhs)
		Mr. Sunil Chordia	Mrs. Sangita Chordia	
	Name	Chairman & Managing Director	Executive Director	
	Designation			
1	Gross salary	100.96	5.60	106.56
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.10	0.50
	(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	-	0.70	0.70
	Total (A)	101.36	6.40	107.76
	Ceiling as per the Act	The remuneration is being paid as approved by members in their meeting held on 22nd July, 2019.		

### A. Remuneration to other Directors:

SN.	Particulars of Remuneration	Name of Directors					Total Amount. (Rs. in Lakhs)
		Mr. Shiv Singh Mehta	Mr. Surendra Singh Maru	Mr. Chandrashekhar Bobra	Mr. Rajesh Mittal	Mrs. Aparna Sharma	
1	Independent Directors						
	Fee for attending board committee meetings	1.25	0.20	0.50	0.60	0.90	3.45
	Commission						
	Others						
	<b>Total (1)</b>	<b>1.25</b>	<b>0.20</b>	<b>0.50</b>	<b>0.60</b>	<b>0.90</b>	<b>3.45</b>
2	Other Non-Executive Directors		Mr. Abhishek Dalmia				
	Fee for attending board committee meetings		0.55				0.55
	Others, please specify -salary						
	<b>Total (2)</b>		<b>0.55</b>				<b>0.55</b>
	<b>Total (B)=(1+2)</b>						<b>4.00</b>
	<b>Total Managerial Remuneration</b>						<b>4.00</b>
	<b>Overall Ceiling as per the Act</b>		0				

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (Rs. in Lakhs)
		Hitesh Jain	Mr Shubham Jain	
	Name			
	Designation	CFO	CS	
1	Gross salary	11.51	6.05	17.56
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(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	0.53	0.29	0.82
	Company's contribution to the Superannuation Fund			
	PL encashment			
	Gratuity (at the end of tenure)			
	<b>Total</b>	<b>12.04</b>	<b>6.34</b>	<b>18.38</b>

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

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)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
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: 22nd May, 2020

**Sunil Chordia**Chairman & Managing Director  
DIN - 00144786**Shiv Singh Mehta**Director  
DIN- 00023523

## Annexure-VI

# Form No. MR-3

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

[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-M.P.

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 authorized 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, 2019 and ended on 31st March, 2020 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, 2020 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'):-
  - (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;
  - (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.
- (ii) The Company is in the process of maintaining structured digital database required under Insider Trading Regulations.

### We further report that

The Board of Directors of the Company is constituted with Executive Directors, Non-Executive Directors and Independent Directors and half of the Board of directors are independent directors as per Companies Act, 2013 and LODR regulations. One of the executive director resigned during the year and two new Independent directors were appointed in place of existing Independent Directors, who were not willing to continue, during the year.

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. During the period the Company has issued 58,02,400 equity shares as Bonus shares in the ratio of 4:3 (four equity shares for every three existing equity shares).
- (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

UDIN-F004431B000388177

Place : Indore

Date : 26th June, 2020

**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 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 : 26th June, 2020

## Annexure-VII

# 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, 2020, 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. Company'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 2020 with their attendance at the Board Meetings held during the year 2019-20 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 Directorship
00144786	Mr. Sunil Chordia	Chairman & Managing Director	5 of 5	YES	3	2	Swastika Investmart Ltd. – Independent Director
0023523	Mr. S. S. Mehta*	Non Executive & Independent	5 of 5	YES	4	2	Kriti Industries India Ltd – Managing Director Kriti Nutrients Ltd – Managing Director
0011958	Mr. Abhishek Dalmia	Non Executive	4 of 5	YES	11	NIL	Revathi Equipment Limited - Executive Director, Chairperson Ashiana Housing Ltd – Independent Director
0209498	Mr. Chandrashekhar Bobra**	Non Executive & Independent	2 of 5	YES	NA	NA	NA
00147150	Mrs. Sangita Chordia**	Executive Director	2 of 5	YES	NA	NA	NA
03081191	Mr. S S Maru**	Non Executive & Independent	1 of 5	NO	NA	NA	NA



DIN	Name of Director	Categories of director	No. of Board Meetings attended	Attendance at last AGM	No. of outside Directorships <sup>^</sup>	Number of committee positions held in other public companies <sup>^</sup>	List of Directorship held in Other Listed Companies and Category of Directorship
08483698	Mr. Rajesh Mittal <sup>#</sup>	Non Executive & Independent	2 of 5	YES	1	NIL	NIL
07132341	Mrs. Aparna Sharma <sup>#</sup>	Non Executive & Independent	3 of 5	YES	NIL	NIL	NIL
08488886	Mr. Yashovardhan Chordia <sup>#</sup>	Non Executive & Non Independent	3 of 5	YES	NIL	NIL	NIL

<sup>^</sup>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.

<sup>#</sup>Reappointed as independent director for second term w.e.f. 22nd July, 2019.

<sup>^</sup>Mr. Chandrashekar Bobra and Mr. S S Maru ceased to be directors of the Company w.e.f. 22nd July, 2019 upon completion of their term as Independent Directors. Mrs. Sangita Chordia resigned from Board w.e.f. 22nd July, 2019. Two meetings were held during their tenure.

<sup>#</sup> Mr. Rajesh Mittal, Mrs. Aparna Sharma and Mr. Yashovardhan Chordia were appointed as directors on the Board w.e.f. 22nd July, 2020. Three meetings of Board were held since their appointment.

Mr. Yashovardhan Chordia is son of Mr Sunil Chordia, Chairman and Managing Directors of the Company and he holds 625333 equity shares in the company.

### Matrix setting out core 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 currently available with the Board Members:

- 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
- Entrepreneur, Financial and Management skills
- Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
- Business Strategy, Corporate planning, Sales & Marketing, Corporate Governance and Decision Making
- 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.

#### a) 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. 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 2019-20 the Board met five times on 10th May, 2019, 22nd July, 2019, 19th October, 2019, 21st January, 2020 and 22nd February, 2020.

#### b) 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 19th October, 2019 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.

#### c) Familiarisation 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>.

#### d) 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 31st Annual General Meeting held on 22nd July, 2019. 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. Rajesh Mittal, Chairman <sup>#</sup>	Independent, Non-Executive
2.	Mr. Shiv Singh Mehta	Independent, Non-Executive
3.	Mrs. Aparna Sharma <sup>#</sup>	Independent, Non-Executive
4.	Mr. Chandrashekar Bobra <sup>*</sup>	Independent, Non-Executive
5.	Mr. S S Maru <sup>*</sup>	Independent, Non-Executive

<sup>\*</sup>Mr. Chandrashekar Bobra Ceased to be Chairman and Mr. S S Maru Ceased to be member of this Committee consequent to the completion of their term as Independent Director w.e.f. 22nd July, 2019.

<sup>#</sup>Mr. Rajesh Mittal and Mrs. Aparna Sharma were appointed as Chairman and member, respectively of this committee w.e.f. 22nd July 2019.

The Internal Auditor of the Company is invitee 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 10th May, 2019, 22nd July, 2019, 19th October, 2019 and 21st January, 2020. 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. Rajesh Mittal <sup>#</sup>	1 of 4
Mr. Shiv Singh Mehta <sup>#</sup>	4 of 4
Mrs. Aparna Sharma <sup>#</sup>	2 of 4
Mr. Chandrashekar Bobra <sup>*</sup>	2 of 4
Mr. S S Maru <sup>*</sup>	2 of 4

<sup>\*</sup>Mr. Chandrashekar Bobra and Mr. S S Maru Ceased to be member of this Committee consequent to the completion of their term as Independent Director w.e.f. 22nd July, 2019 and two meeting were held during their tenure.

<sup>#</sup>Mr. Rajesh Mittal was appointed as chairman and Mr. Shiv Singh Mehta and Mrs. Aparna Sharma were appointed as members, of this committee w.e.f. 22nd July 2019. Two meeting were held since their appointment.

### 2. 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.rajratan.co.in/investor/](http://www.rajratan.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.

S. No.	Name	Category	Attendance in meetings
1.	Mr. S. S. Mehta, Chairperson	Non-Executive	2 of 2
2.	Mr. Abhishek Dalmia	Independent, Non-Executive	1 of 2
3.	Mr. Rajesh Mittal <sup>#</sup>	Independent, Non-Executive	1 of 2
4.	Mr. Chandrashekar Bobra <sup>*</sup>	Independent, Non-Executive	1 of 2
5.	Mr. S S Maru <sup>*</sup>	Independent, Non-Executive	1 of 2

<sup>\*</sup>Mr. Chandrashekar Bobra and Mr. S S Maru Ceased to be member of this Committee consequent to the completion of

their term as Independent Director w.e.f. 22nd July, 2019.

#Mr. Rajesh Mittal was appointed as a member of this committee w.e.f. 22nd July 2019.

One Meeting was held on 10th May, 2019 during the financial year under review.

#### 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. Directors have given unsecured loans to the Company the details of which have been mentioned in the notes to accounts section which forms part of this Annual Report.

The Non-Executive Directors do not draw any remuneration from the Company except sitting fees, which is paid at the rate of Rs. 15,000/- for each meeting of the Board and the Audit Committee. 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:

Rs. In Lakhs

S. No.	Name and Designation	Tenure of appointment	Remuneration	Perquisites & Allowances
1	Mr. Sunil Chordia Managing Director	01.04.2019 to 31.03.2020	100.96	0.40
2	Mrs. Sangita Chordia* Executive Director	01.04.2019 to 22.07.2020	5.60	0.80

\*Stepped down w.e.f. 22nd July 2019

The appointment of the Chairman and Managing Director 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 Director

Stakeholders' Relationship Committee looks into shareholders' and investors' grievances. Mrs. Aparna Sharma, Non-executive

Independent Director is the Chairperson of the Committee. The Board has designated Mr. Shubham Jain, Company Secretary as the Compliance Officer.

Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act. 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. Two meetings were held on 10th May, 2019 and 22nd July, 2019 during the year under review.

#### Composition, names of members and chairman

S. No.	Name	Category	Attendance in meetings
1.	Mrs. Aparna Sharma, Chairperson*	Independent, Non-Executive	1 of 3
2.	Mr. Rajesh Mittal*	Independent, Non-Executive	1 of 3
3.	Mr. Yashovardhan Chordia*	Non Independent, NonExecutive	1 of 3
4.	Mr. Shiv Singh Mehta	Independent, Non-Executive	1 of 3
5.	Mrs. Sangita Chordia#	Executive	1 of 3

\*Mrs. Aparna Sharma has been appointed as Chairperson of the Committee w.e.f. 22nd July, 2019 and Rajesh Mittal and Mr. Yashovardhan Chordia have been appointed as members of the committee w.e.f. 22nd July, 2019.

#Ceased to be member of the Committee w.e.f. 22nd July, 2019.

Status of the Investors/Shareholders Complaints:

- (i) No. of complaints received during the year : 3
- (ii) No. of complaints resolved during the year : 3
- (iii) No. of complaints pending at the end of the year : Nil

The Company has authorized 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. Shiv Singh Mehta, Chairman	Independent, Non-Executive

S. No.	Name	Category
2.	Mr. Sunil Chordia	Chairman & Managing director
3.	Mr. Abhishek Dalmia	Non - Executive, Non - Independent
4.	Mrs. Aparna Sharma	Non - Executive, Independent
5.	Mr. S S Maru*	Non - Executive, Independent
6.	Mrs. Sangita Chordia*	Executive

Mr. S S Maru ceased to be chairman of this Committee consequent to the completion of his term as Independent Director w.e.f. 22nd July, 2019 and Mrs. Sangita Chordia ceased to be a member of this committee consequent to her resignation w.e.f. 22nd July, 2019.

One meeting was held on 6th July, 2019 during the year under review.

## 8. General Body Meeting

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

S. No.	Year	Date	Time	Venue
1	2017	11th August	02.00 P.M.	"Rajratan House"
2	2018	21st July	01.00 P.M.	11/2, Meera Path, Dhenu Market, Indore-3, M.P.
3	2019	22nd July	02.00 P.M.	

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

One Special Resolution was passed at the Annual General Meeting held on 11th August, 2017, two Special Resolution was passed at the Annual General Meeting held on 21st July, 2018 and Four Special Resolution were passed at the Annual General Meeting held on 22nd July, 2019

### c) Whether any special resolution passed last year through postal ballot details of voting pattern:

During the year two resolutions were passed through postal ballot viz.,

1) Increase in Authorised Share Capital and Consequent Alteration of Memorandum of Association;

2) issue of Bonus Shares.

Voting Pattern -

**Resolution 1** - 99.9986% votes were casted in "favour" and 0.0014% votes were casted "against"

**Resolution 2** - 99.9986% votes were casted in "favour" and 0.0014% votes were casted "against".

### d) person who conducted the postal ballot exercise;

Mrs. Manju Mundra (FCS 3454, CP. No. 4431), Practicing Company Secretary was appointed as Scrutinizer for conducting 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: 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 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

Date	Day	Time	Venue
21st July, 2020	Tuesday	12.00 p.m. IST	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

### b) Financial Year: 1st April, 2020 to 31st March, 2021

### c) Dividend Payment Date: No dividend has been recommended by the Board of Directors for financial year ended on 31st March, 2020.

### d) Record date / Cut off date for e-voting: 14th July, 2020.

### e) 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 Exchanges

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

National Stock Exchange of India Limited  
(w.e.f. 22nd May, 2020)  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex  
Bandra (East), Mumbai 400 051

Listing Fees as applicable have been paid.

### f) Stock Code/ Symbol

BSE: 517522

NSE: RAJRATAN

## 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 2019-20.

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	317	284	October	396	321
May	377	285	November	365	280
June	403	343	December	309	270
July	394	316	January	350	296
August	366	283	February	345	260
September*	369	310	March	320	180

\*The company has allotted Bonus shares in the ration of 4:3 on 14th September, 2019.

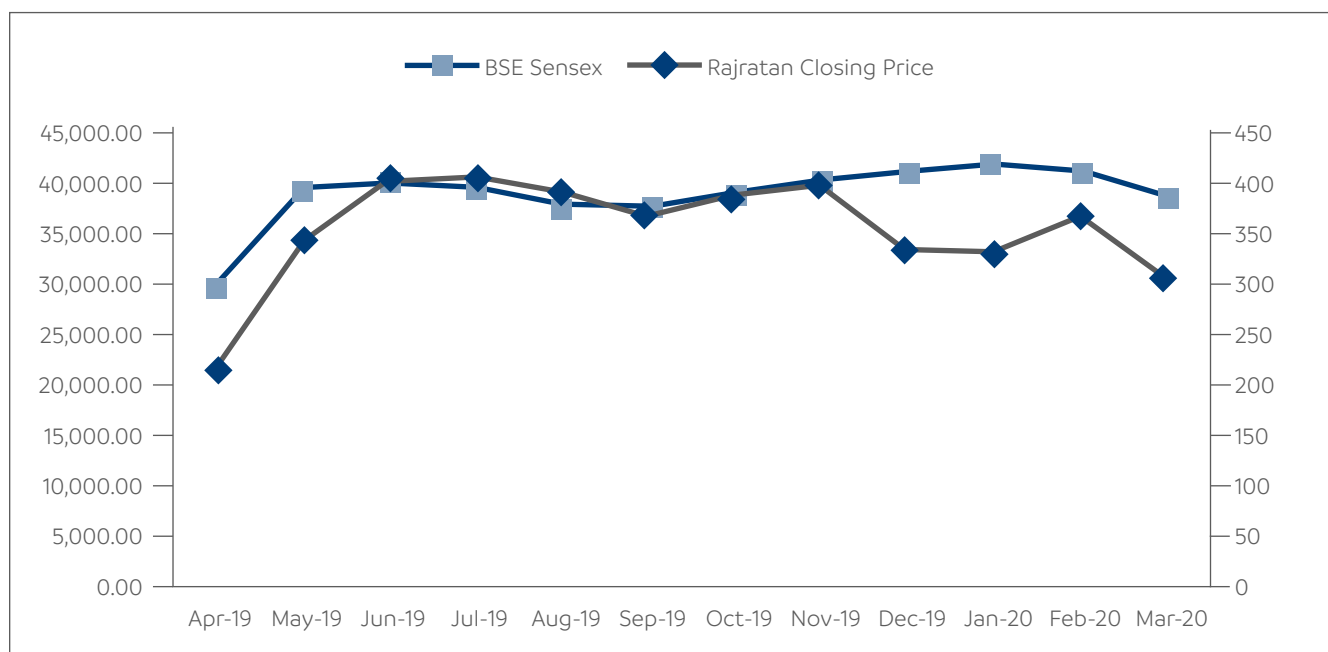
Share prices have been adjusted for September 2019 Bonus issue.

Share prices have been rounded off to the nearest whole number

This information has been compiled from the data available on the website of BSE."

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

BSE – Closing Index Vs. Closing Price of Share April, 2019 to March, 2020.



Note: The shares prices have been adjusted for September 2019 Bonus issue.

**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](mailto:rnt.helpdesk@linkintime.co.in)

### j) Share Transfer System

The Board has authorized Stakeholder Relationship Committee to approve/authorize 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 authorized 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, 2020 is as under:

Shareholding of Nominal Value of Rs.	No. of Shareholders	% of Shareholders	Shareholding amount in (Rs.)	% of Shareholding
1 to 5000	3441	88.01	4627370	4.56
5001 to 10000	202	5.17	1439210	1.42
10001 to 20000	113	2.89	1576870	1.55
20001 to 30000	41	1.05	1013040	1.00
30001 to 40000	25	0.64	850320	0.84
40001 to 50000	11	0.28	493510	0.49
500001 to 100000	23	0.59	1716410	1.69
100001 to *****	54	1.38	89825270	88.46
Total	3910	100	101542000	100

### Shareholding Pattern :

Shareholding pattern as on 31st March, 2020 is as under:

#### Distribution of Shareholding according to the categories of shareholders as on 31st March, 2020

Categories	No. of Shares	Amount in Rs.	% to total
Promoters	6521000	65210000	64.22
Financial Institutions, Banks	520	5200	0.01
Mutual Funds, UTI	875418	8754180	8.62
Central Government / State Government(s)	0	0	0
Foreign Institutional Investors	0	0	0
NRIs / OCBs	34866	348660	0.34
Other Bodies Corporate	210787	2107870	2.08
Public	2393660	23936600	23.57
Others	117949	1179490	1.16
Total	1,01,54,200	10,15,42,000	100.00

### 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 March 31, 2020, 98.72% of the share capital stands dematerialized. The equity shares of the Company are traded at BSE Limited.

#### Details of Demat Shares as on 31st March, 2020

Particulars	No. of Shareholders	No. of shares	% of Capital
NSDL	1972	4580314	45.11
CDSL	1588	5443270	53.61
Sub-total	3560		
Shares in physical form	350	130616	1.28
Grand Total	3910	1,01,54,200	100

**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

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

**q) Credit Ratings** – During the Financial Year ICRA has upgraded the rating of company to [ICRA] A- with positive outlook from CRISIL A- Stable and ICRA A2+ from CRISIL A2+ for Short-Term Bank Facilities.

## 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.

The Company had paid penalty of Rs. 5.31 Lakhs (including GST) to BSE Limited as the composition of Board was not as per Regulation 17 SEBI (LODR) Regulation, 2015.

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

The Company has an executive chairperson.

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

Mr. Sunil Chordia have been appointed as Chairman and Managing Director w.e.f. 22nd July, 2019 further the Company has not appointed any CEO.

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) - Not Applicable

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 Vatsalya Sharma & 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. 37).

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 March 31, 2020. The Annual Report of the Company contains a Certificate by the Chairman & 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.rajratan.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.

**18.** The details of loans and advances made to the wholly owned subsidiary of the company has been mentioned in Notes to Account Section of this Annual Report.

For and **on behalf of the Board**

Place: Indore

Dated: 22nd May, 2020

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

**Shiv Singh Mehta**  
Director  
DIN- 00023523



# Annual Compliance with the Code of Conduct for the Financial Year 2019-20

Pursuant to the Schedule V (Part D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Company has received affirmations on compliance with the Code of Conduct for the financial year ended March 31, 2020 from all the Board Members and Senior Management Personnel.

Place: Indore  
Date: 22.05.2020

**Sunil Chordia**  
*Chairman & Managing Director*  
DIN – 00144786

## Certificate

[Pursuant to Regulation 34(3) read with Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

As required by item 10(i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and 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 'Rajratn 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 2020, 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.

Place: Indore  
Date: 22.05.2020

**For Vatsalya Sharma & Company**  
*Company Secretaries*

**Vatsalya Sharma**  
*Proprietor*  
M. No. – 48100  
COP – 19574

## 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 March 31, 2020 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: 22.05.2020

**Mr. Hitesh Jain**  
Chief Financial Officer

## Annexure-VIII

## 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 31.03.2020, 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

Date – 22nd May, 2020  
Place – Indore

## Annexure-IX 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 in Rs. In Lakhs)

Sr. No.	Particulars	Details
1	Name of the subsidiary	Rajratan Thai Wire Co. Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 2019 to March 2020
3	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. 2.303993 For profit and loss items = 1 Thai Baht = Rs. 2.294771
4	Share capital	5,983
5	Reserves & surplus	427
6	Total assets	15,575
7	Total Liabilities	15,575
8	Investments	-
9	Turnover	19,441
10	Profit before taxation	1,092
11	Provision for taxation (Current Tax)	54
	Deferred Tax	44
12	Profit after taxation	994
13	Proposed Dividend	-
14	% 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.

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: 22nd May 2020

FOR AND ON BEHALF OF BOARD

(**SHIV SINGH MEHTA**)  
DIRECTOR  
DIN:00023523

(**SHUBHAM JAIN**)  
COMPANY SECRETARY

(**SUNIL CHORDIA**)  
CHAIRMAN & MANAGING DIRECTOR  
DIN:00144786

(**HITESH JAIN**)  
CHIEF FINANCIAL OFFICER

# FINANCIAL SECTION

## 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 at 31st March 2020, 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 March 31, 2020, 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 March 31, 2020. 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
<p><b>Revenue Recognition</b> (as described in note 2.2(n) of the standalone Ind AS financial statements)</p> <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>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>

Key Audit Matters	How our audit addressed the Key Audit Matters
<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 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>• 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>
<p><b>Expected Credit Loss</b> (as described in note 2.2(o)(i)(E) of the standalone Ind AS financial statements)</p>	
<p>The Company determines expected credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions.</p> <p>The Company considered current and anticipated future economic conditions and effect from the pandemic relating to COVID -19. We identified expected credit losses as a key audit matter because the Company exercises significant judgment in calculating the same.</p>	<p>Our audit procedures related to verification of expected credit losses for trade receivables included the following, among others:</p> <p>We tested the effectiveness of controls over the</p> <ol style="list-style-type: none"> <li>(1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions</li> <li>(2) completeness and accuracy of information used in the estimation of probability of default and</li> <li>(3) Computation of the allowance for credit losses based on the age wise details of trade receivables provided to us.</li> </ol> <p>We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.</p>

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 2019-20, 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 Responsibility 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 March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 41 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

UDIN - 20404709AAAAAK6713

Place: Indore

Dated:22.05.2020



## 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 March 31, 2020

- (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. 1,007.85 Lakhs (Previous Year Rs. 1002.51 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 2020 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, Income Tax and Service Tax that have not been deposited. The disputed dues on account of the Sales Tax and Excise Duty are as under:-

Particulars	Period	Amount (Rs. In Lakhs)	Forum where the dispute is pending
VAT	FY 2014-15	4.32	Additional CCT(A), Indore
Excise	Apr16 -Jun17	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 given 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)

Proprietor  
M.No. 404709

Place: Indore  
Dated:22.05.2020

## 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 31 March 2020 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 31 March 2020, 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:22.05.2020

# Balance Sheet

as at 31st March 2020

(Rs. in Lakhs)

Particulars	Note	As at 31st March 2020	As at 31st March 2019
<b>I. ASSETS</b>			
<b>1 NON CURRENT ASSETS</b>			
(a) Property Plant and Equipment	3	11,599	7,816
(b) Capital work-in-progress	4	983	1,917
(c) Goodwill	5	10	10
(d) Other Intangible Assets	6	3	6
(e) Other Intangible Assets under Development	7	14	3
(f) Financial Assets			
(i) Investments	8	3,838	3,838
(ii) Loans	9	1,129	1,114
(g) Other non- current Assets	10	69	315
		17,645	15,019
<b>2 CURRENT ASSETS</b>			
(a) Inventories	11	2,319	2,578
(b) Financial Assets			
(i) Trade Receivables	12	6,141	6,119
(ii) Cash and Cash Equivalents	13	7	11
(iii) Bank Balances other than (ii) above	14	296	389
(iv) Loans	15	183	272
(v) Other financial assets	16	2	4
(c) Other Current Assets	17	529	149
		9,477	9,522
<b>TOTAL ASSETS</b>		<b>27,122</b>	<b>24,541</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	18	1,015	435
(b) Other Equity	19	13,767	12,438
		14,782	12,873
<b>LIABILITIES</b>			
<b>1 NON CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	20	4,435	3,074
(b) Deferred Tax Liabilities (Net)	21	1,133	865
		5,568	3,939
<b>2 CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	22	3,255	3,719
(ii) Trade Payables	23		
(A) Total Outstanding dues of Micro enterprises & Small enterprises		4	76
(B) Total Outstanding dues of creditors Other Than Micro enterprises and small enterprises"		2,205	2,476
(iii) Other financial liabilities	24	765	756
(b) Other Current Liabilities (Net)	25	543	636
(c) Current Tax Liabilities	26	-	66
		6,772	7,729
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>27,122</b>	<b>24,541</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: 22nd May 2020

FOR AND ON BEHALF OF BOARD

(SHIV SINGH MEHTA)  
DIRECTOR  
DIN:00023523

(SHUBHAM JAIN)  
COMPANY SECRETARY

(SUNIL CHORDIA)  
CHAIRMAN & MANAGING DIRECTOR  
DIN:00144786

(HITESH JAIN)  
CHIEF FINANCIAL OFFICER

## Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2020

(Rs. in Lakhs)

Particulars	Note	Year ended 31st March 2020	Year ended 31st March 2019
<b>Revenue</b>			
I Revenue from Operations	27	28,614	31,456
II Other Income	28	163	224
III TOTAL (I+II)		28,777	31,680
<b>IV Expenses</b>			
Cost of materials consumed	29	16,578	20,252
Purchase of Stock-in-Trade	30	514	2,032
Changes in inventories of finished goods, Stock-in-Trade and Work-in-Progress	31	(58)	(645)
Employee benefit expense	32	1,475	1,322
Finance costs	33	914	812
Depreciation and amortization expense	3 & 6	534	391
Other expenses	34	5,541	5,097
TOTAL (IV)		25,498	29,261
V Profit / (Loss) before tax before exceptional items and tax (III-IV)		3,279	2,419
VI Exceptional Items (Gain)		-	-
VII Profit / (Loss) before tax (V+VI)		3,279	2,419
VIII Tax Expenses Continued Operations			
(1) Current Tax		701	594
(2) Deferred Tax		268	(44)
IX Profit / (Loss) for the period from Continuing Operations (VII-VIII)		2,310	1,869
X Profit / (Loss) for the period		2,310	1,869
XI Other Comprehensive Income	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		(52)	(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		-	-
(ii) Income Tax relating to items that will be reclassified to profit or loss		-	-
XII Total Comprehensive Income for the period (Comprising Profit(Loss) and Other Comprehensive Period for the period (XIII-XIV)		2,258	1,857
XIII Earnings per Equity Share			
- Basic		22.75	18.40
- Diluted		22.75	18.40
- Face Value		10.00	10.00
XIV 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: 22nd May 2020

FOR AND ON BEHALF OF BOARD

(SHIV SINGH MEHTA)  
DIRECTOR  
DIN:00023523

(SHUBHAM JAIN)  
COMPANY SECRETARY

(SUNIL CHORDIA)  
CHAIRMAN & MANAGING DIRECTOR  
DIN:00144786

(HITESH JAIN)  
CHIEF FINANCIAL OFFICER

## Statement of Changes in Equity for the period ended 31st March 2020

### A. Equity Share Capital

(Rs. in Lakhs)

Balance at the beginning of reporting period as on 1st April 2018	Changes in Equity share capital during the year 2018-19	Balance at the end of reporting period as on 31st March 2019	Changes in Equity share capital during the year 2019-20	Balance at the end of reporting period as on 31st March 2020
435	-	435	580	1,015

### B. Other Equity

(Rs. in Lakhs)

Particulars	Reserves and Surplus			Revaluation Surplus	Total
	Securities Premium	Retained Earnings	General Reserve		
<b>AS on 31st March 2019</b>					
Balance at the beginning of reporting period as on 1st April 2018	840	3,833	5,575	412	10,660
Changes in Accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of reporting period 1st April 2018	840	3,833	5,575	412	10,660
Profit for the period 2018-19	-	1,869	-	-	1,869
Other Comprehensive Income for the period 2018-19	-	(12)	-	-	(12)
Issued during the year	-	-	-	-	-
Dividends	-	(79)	-	-	(79)
Transferred to Retained Earnings	-	-	-	-	-
Transferred to General Reserve	-	(600)	600	-	-
Any Other Change	-	-	-	-	-
<b>Balance at the end of reporting period as on 31st March 2019</b>	<b>840</b>	<b>5,011</b>	<b>6,175</b>	<b>412</b>	<b>12,438</b>

### B. Other Equity

(Rs. in Lakhs)

Particulars	Reserves and Surplus			Revaluation Surplus	Total
	Securities Premium	Retained Earnings	General Reserve		
<b>AS on 31st March 2020</b>					
Balance at the beginning of reporting period as on 1st April 2019	840	5,011	6,175	412	12,438
Changes in Accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of reporting period 1st April 2019	840	5,011	6,175	412	12,438
Profit for the period 2019-20	-	2,310	-	-	2,310
Other Comprehensive Income for the period 2019-20	-	(52)	-	-	(52)
Issued during the year	-	-	-	-	-
Dividends	-	(105)	-	-	(105)
Interim Dividends	-	(245)	-	-	(245)
Redemption for Issue of Bonus Share	(580)	-	-	-	(580)
Transferred to Retained Earnings	-	-	-	-	-
Transferred to General Reserve	-	(1,825)	1,825	-	-
Any Other Change	-	-	-	-	-
<b>Balance at the end of reporting period as on 31st March 2020</b>	<b>260</b>	<b>5,094</b>	<b>8,000</b>	<b>412</b>	<b>13,766</b>

### C. Purpose of Each Reserve within Equity

#### 1 Securities Premium

1 Where a company issues shares at a premium, whether for cash or otherwise, a sum 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 as 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 2020

(Rs. in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>A. Cash Flow from Operating Activities</b>		
Net Profit / (Loss) before tax as per Statement of Profit and Loss	3,279	2,419
Adjustments for:		
Depreciation /Amortisation Expenses	534	391
(Profit)/Loss on Sales/Discard of Assets (Net)	(8)	(3)
Finance Cost	914	812
Remeasurement of defined Benefit Plans	(52)	(12)
	1,388	1,188
<b>Operating Profit before Working Capital Changes</b>	<b>4,667</b>	<b>3,607</b>
Adjustments for:		
(Increase)/Decrease in Trade and Other Receivables	(311)	(753)
(Increase)/Decrease in Financial Assets & Other Non Current Assets	231	(386)
(Increase)/Decrease in Inventories	259	(928)
Increase/(Decrease) in Working Capital Limits	(464)	(181)
Increase/(Decrease) in Trade and Others Payables	(427)	2,170
	(712)	(78)
<b>Net Cash generated from / (used) in Operating Activities</b>	<b>3,955</b>	<b>3,529</b>
Taxes (Paid) / Refund (net)	(766)	(580)
<b>Net Cash generated from / (used) in Operating Activities</b>	<b>3,189</b>	<b>2,949</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of tangible and intangible Assets	(3,422)	(4,821)
Disposal of Investment	0.03	-
Sale Proceeds from disposal of Tangible and Intangible Assets	39	16
<b>Net Cash generated from / (used in) Investing Activities</b>	<b>(3,383)</b>	<b>(4,805)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings	1,361	2,824
Dividend Paid	(290)	(65)
Dividend Tax Paid	(60)	(13)
Finance Cost	(914)	(812)
<b>Net Cash generated from / (used in) Financing Activities</b>	<b>97</b>	<b>1,934</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(97)</b>	<b>78</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>400</b>	<b>322</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>303</b>	<b>400</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents</b>	<b>(97)</b>	<b>78</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

(SHIV SINGH MEHTA)  
DIRECTOR  
DIN:00023523

(SUNIL CHORDIA)  
CHAIRMAN & MANAGING DIRECTOR  
DIN:00144786

INDORE  
Dated: 22nd May 2020

(SHUBHAM JAIN)  
COMPANY SECRETARY

(HITESH JAIN)  
CHIEF FINANCIAL OFFICER

# Notes annexed to and forming part of the Financial Statements

## Significant Accounting Policies

### 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.

The 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 recognised when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognised 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 of the Companies Act, 2013. Each part of an item of Property, Plant & Equipment (PPE) 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 capitalised 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.
- 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 immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised. Contingent rentals are recognised as expenses in the periods in which they are incurred.



## Notes annexed to and forming part of the Financial Statements

- 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.
- 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 upgradation, among others 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 Work-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 capitalised 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 expenses in the period in which they occur.

## Notes annexed to and forming part of the Financial Statements

### 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 comprise 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, ancillary raw material, stores and spares, packing materials, trading and other products are determined at cost, with moving average price on FIFO basis.

### 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, and are adjusted to reflect the current management estimate.
- iv) Contingent assets are not recognised 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.

## Notes annexed to and forming part of the Financial Statements

### 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 capitalised 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 Benefit 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 obligations 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 Company derives revenues primarily from sale of tyre bead wire and other products.

As per the provisions of Ind AS 115 revenue from contracts with customers is recognised when control of the goods are

## Notes annexed to and forming part of the Financial Statements

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. 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 operations includes sale of goods, services are adjusted for discounts (net), and gain/ loss on corresponding hedge contracts.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.2 (a).

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.

### 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 recognised as an expense in the period in which related revenue is recognised.

## Notes annexed to and forming part of the Financial Statements

### o) Financial Instruments

#### i) Financial Assets

##### A. Initial recognition and measurement

All financial assets and liabilities are initially recognised 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.

##### 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 recognised 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 amortised cost using the effective interest method. For trade and other

## Notes annexed to and forming part of the Financial Statements

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 recognised 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 recognised 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 derecognised 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:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- b. Held primarily for the purpose of trading;

## Notes annexed to and forming part of the Financial Statements

- c. Expected to be realised within twelve months after the reporting period, or
- d. 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:
- 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'.

## 2.2 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 recognised 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.

The Management has considered the possible effects of Global Pandemic COVID-19 while preparing the financial statements. Refer Note No.48.

### 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 and cash discounts, among others. 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.

## Notes annexed to and forming part of the Financial Statements

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.

**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 the chances of an asset getting impaired on each reporting date. 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 annexed to and forming part of the Financial Statements

### 3. Property, Plant and Equipment as at 31st March 2019

(Rs. in Lakhs)

Particulars	Gross Block (at cost)			Depreciation / Amortisation			Net Block			
	As at 1st April 2018	Additions during the year	Deductions	As at 31st March 2019	Upto 31st March 2018	For the year	Deductions	Up to 31st March 2019	As at 31st March 2018	As at 31st March 2019
a) Land										
A) Owned Assets										
a) Free Hold Land	433	273	-	706	-	-	-	-	-	433
B) Leased Assets										
a) Lease Hold Land	288	4	-	292	16	4	-	20	272	272
C) Building	550	1,427	-	1,977	60	35	-	95	1,882	491
D) Plant and Equipment	4,075	1,441	14	5,502	426	310	1	735	4,768	3,650
E) Furniture and Fixtures	38	5	-	43	13	4	-	16	27	26
F) Vehicles	88	90	1	177	21	22	-	43	135	67
G) Office Equipment	48	11	-	59	19	13	-	32	26	28
<b>TOTAL</b>	<b>5,520</b>	<b>3,251</b>	<b>15</b>	<b>8,756</b>	<b>554</b>	<b>388</b>	<b>1</b>	<b>941</b>	<b>7,816</b>	<b>4,967</b>

4. Capital Work In Progress	350	3,000	1,434	1,916	-	-	-	-	1,916	350
<b>TOTAL</b>	<b>350</b>	<b>3,000</b>	<b>1,434</b>	<b>1,916</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,916</b>	<b>350</b>

### 5. Goodwill

On Merger of Cee Cee Engineering Industries Pvt. Ltd. (wef. 01.04.2017)	10	-	-	10	-	-	-	-	10	10
---	----	---	---	----	---	---	---	---	----	----

### 6. Other Intangible Assets

Computer Software	9	-	-	9	0	3	-	3	6	9
-------------------	---	---	---	---	---	---	---	---	---	---

### 7. Intangible Assets Under Development

ERP Software	-	3	-	3	-	-	-	-	3	-
<b>TOTAL</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>

## Notes annexed to and forming part of the Financial Statements

### 3. Property, Plant and Equipment as at 31st March 2020

Particulars	Gross Block (at cost)			Depreciation / Amortisation			Net Block			
	As at 1st April 2019	Additions during the year	Deductions	As at 31st March 2020	Upto 31st March 2019	For the year	Deductions	Up to 31st March 2020	As at 31st March 2019	As at 31st March 2020
a) Land										
A) Owned Assets										
a) Free Hold Land	706	4	-	710	-	-	-	-	710	706
B) Leased Assets										
a) Lease Hold Land	292	303	-	595	20	10	-	30	565	272
C) Building	1,977	767	6	2,738	95	86	2	179	2,559	1,882
D) Plant and Equipment	5,502	3,245	32	8,715	735	396	7	1,124	7,591	4,768
E) Furniture and Fixtures	43	1	-	44	16	4	-	20	24	27
F) Vehicles	177	11	17	171	43	23	16	50	121	135
G) Office Equipment	59	14	1	72	32	12	0	44	28	26
<b>TOTAL</b>	<b>8,756</b>	<b>4,345</b>	<b>56</b>	<b>13,045</b>	<b>941</b>	<b>531</b>	<b>25</b>	<b>1,446</b>	<b>11,599</b>	<b>7,816</b>

4. Capital Work In Progress	1,916	2,885	3,818	983					983	1,916
<b>TOTAL</b>	<b>1,916</b>	<b>2,885</b>	<b>3,818</b>	<b>983</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>983</b>	<b>1,916</b>

5. Goodwill										
On Merger of Cee Cee Engineering Industries Pvt. Ltd. (wef. 01.04.2017)	10	-	-	10	-	-	-	-	10	10

6. Other Intangible Assets										
Computer Software	9	-	-	9	3	3	-	6	3	6

7. Intangible Assets Under Development										
ERP Software	3	11	-	14	-	-	-	-	14	3
<b>TOTAL</b>	<b>3</b>	<b>11</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>3</b>

(Rs. in Lakhs)		
Net Book Value Table	March 31, 2020	March 31, 2019
Property, Plant and equipment	11,599	7,816
Capital Work in Progress	983	1,916
Assets Classified as held for sale		

## Notes annexed to and forming part of the Financial Statements

- 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 March 31, 2020 was Rs. 138 Lakhs (for the year March 31, 2019: Rs. 91 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. 123 Lakhs (Previous Year Rs. 95 Lakhs).
- The amount of contractual commitments for the acquisition of property, plant and equipment is Rs.250 Lakhs (Previous Year Rs.2137 Lakhs).
- Part of Leasehold land admeasuring 15,700 Sq. Mtr. (Cost Rs. 10 Lakhs) and part of freehold land admeasuring 27890 Sq. Mtr. (Cost Rs. 21 Lakhs) is stated at revalued amount of Rs. 272 Lakhs and Rs. 433 Lakhs respectively.

### Financial Assets

#### 8. Investments

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<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)	3,838	3,838
(b) NIL Equity Shares of Rs 10/- Each of M/s Shamrao Vithaldas Co. Operative Society Limited, Mumbai (Previous Year 250 Equity Shares of Rs.10/- each aggregating to Rs.2500/-)	0	0
<b>Total</b>	<b>3,838</b>	<b>3,838</b>
Aggregate amount of quoted investments	NIL	NIL
Aggregate amount of unquoted investments	3,838	3,838
Aggregate amount of impairment in value of investments	NIL	NIL

#### 9. Loans

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
(i) Loan to Related Party (Refer Note No.40)		
Unsecured, Considered good (Rajratan Thai Wire Co. Limited Wholly owned Subsidiary)	1,008	1,002
(ii) Security Deposits		
Unsecured, Considered good		
Deposit with Related Party (Refer Note No.40)	5	5
Others	117	107
<b>Total</b>	<b>1,129</b>	<b>1,114</b>

#### 10. Other non-current assets

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Capital Advance		
Unsecured, Considered good	69	315
<b>Total</b>	<b>69</b>	<b>315</b>

## Notes annexed to and forming part of the Financial Statements

### 11. Inventories

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
(a) Raw Material:	945	1,300
(b) Work-in-Progress	106	122
(c) Finished Goods	888	728
(d) Stock-in-transit	148	235
(e) Stores & Spares	231	192
(f) Loose Tools	1	1
<b>Total</b>	<b>2,319</b>	<b>2,578</b>

(a) 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.

(b) Carrying amount of inventory hypothecated to secure working capital facilities Rs.2,319 Lakhs (Previous Rs.2,578 Lakhs)

### 12. Trade Receivables

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Considered good-Secured	-	-
Considered good-Unsecured : (Includes Rs. 45 Lakhs (Previous Year NIL) due from wholly owned subsidiary Rajratan Thai Wire Co. Ltd., Thailand)	6,141	6,119
Trade Receivables which have significant increase in Credit Risk	28	15
Less: Impairment for trade receivable*	-28	-15
Trade Receivables-Credit Impaired	91	27
Less: Credit Impaired and written off	-91	-27
<b>Total</b>	<b>6,141</b>	<b>6,119</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 2020	As at 31st March 2019
<b>Cash and Cash Equivalents</b>		
(a) Cash on hand including Foreign Currency	6	9
(b) Balances with Banks		
Current Accounts	1	2
<b>Total</b>	<b>7</b>	<b>11</b>

### 14. Bank Balances

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
(a) Fixed Deposit Account held as margin money (with maturity less than 12 Months)	290	383
(b) Earmarked balance with bank	6	6
<b>Total</b>	<b>296</b>	<b>389</b>

## Notes annexed to and forming part of the Financial Statements

### 15. Loans Receivables

(Rs. in Lakhs)

Particulars	As at	
	31st March 2020	31st March 2019
(a) Loans Receivables Considered good-Secured	-	-
(b) Loans Receivables Considered good-Unsecured	183	272
(c) Loans Receivables which have significant increase in Credit Risk	-	-
(d) Loans Receivables-credit impaired	-	-
<b>Total</b>	<b>183</b>	<b>272</b>

### 16. Other Financial Assets

(Rs. in Lakhs)

Particulars	As at	
	31st March 2020	31st March 2019
Interest Accrued on Fixed Deposit	2	4
<b>Total</b>	<b>2</b>	<b>4</b>

### 17. Other Current Assets

(Rs. in Lakhs)

Particulars	As at	
	31st March 2020	31st March 2019
(a) Balance with Government Authorities	113	67
(b) Others (Includes Prepaid Expenses and advances to Suppliers and Staff)	416	82
<b>Total</b>	<b>529</b>	<b>149</b>

### 18. Share Capital

a)

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	Amount (Rs. in Lakhs)	Number	Amount (Rs. in Lakhs)
<b>Authorised</b>				
Equity Shares of Rs. 10/- each	1,50,00,000	1,500	81,50,000	815
<b>Issued, Subscribed &amp; fully paid up</b>				
Equity Shares of Rs. 10/- each	1,01,54,200	1,015	43,51,800	435
	1,01,54,200	1,015	43,51,800	435

(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 31st March 2020		As at 31st March 2019	
	Number	Amount (Rs. in Lakhs)	Number	Amount (Rs. in Lakhs)
Shares outstanding at the beginning of the year	43,51,800	435	43,51,800	435
Bonus Share Issued during the Year	58,02,400	580	-	-
Shares outstanding at the end of the year	1,01,54,200	1,015	43,51,800	435

(d) Rajratan Investments Limited together with Rajratan Resources Private Limited, Mr. Sunil Chordia and his family holds 64.22% (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 annexed to and forming part of the Financial Statements

### e) Shares held by the holding Company / Associate Company and shareholders holding more than 5% shares in the Company

Name of shareholders	As at 31st March 2020		As at 31st March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Rajratan Investment Limited	18,53,122	18.25	7,82,881	17.99
Rajratan Resources Pvt. Limited	8,89,980	8.76	3,81,420	8.76
Mrs. Sangita Chordia	23,332	0.23	5,80,433	13.34
Mr. Sunil Chordia	70,019	0.69	5,00,959	11.51
Mr. Yashovardhan Chordia	6,25,333	6.16	2,68,000	6.16
Sangita Chordia Family Trust	13,31,010	13.11	-	0.00
Sunil Chordia Family Trust	11,45,571	11.28	-	0.00
SBI Small and Midcap Fund	7,50,752	7.39	3,41,751	7.85

### (f) Terms / Rights to Shareholders

#### (i) Equity Shares

##### 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 for every 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 Company paid Interim Dividend for the year ended March 31, 2020 amounting to Rs. 245 Lakhs, including Corporate Dividend Distribution Tax of Rs.42 Lakhs. The total dividend paid for the year ended March 31, 2019 amounted to Rs.105 Lakhs, including Corporate Dividend Distribution Tax of Rs. 18 Lakhs (Previous Year Rs 65 Lakhs, including Corporate Dividend Distribution Tax Rs 13 Lakhs) during the year.

##### 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 2020	As at 31st March 2019
<b>(a) Securities Premium</b>		
Balance as per last financial statement	840	840
Add: Issued during the year	-	-
Less: Redeemed during the year	580	-
	(a) 260	840
<b>(b) Revaluation Surplus</b>		
Balance as per Last Financial statement	412	412
Add: Revaluation of assets	-	-
Less: Deduction during the year	-	-
	(b) 412	412
<b>(c) General Reserve</b>		
Balance as per Last Financial statement	6,175	5,575
Add: Additions during the year	1,825	600
	(c) 8,000	6,175
<b>(d) Surplus/(Deficit) as per the Statement of Profit and Loss</b>		
Balance as per Last Financial statement	5,011	3,833
<b>Add:</b>		
Profit for the Year	2,310	1,869
Other Comprehensive Income for the Year	(52)	(12)
Transferred to General Reserve	(1,825)	(600)
Dividend (Including Dividend Distribution Tax)	(350)	(79)
	(d) 5,094	5,011
<b>Total (a+b+c+d)</b>	<b>13,766</b>	<b>12,438</b>

## Notes annexed to and forming part of the Financial Statements

### Non-Current Liabilities

#### 20. Financial Liabilities Borrowings

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Term Loans from Bank- Secured	4,435	3,074
<b>Total</b>	<b>4,435</b>	<b>3,074</b>

(Rs. in Lakhs)

Term Loan from State Bank of India & HDFC Bank Ltd.	As at 31st March 2020	As at 31st March 2019
Total Outstanding as per Bank	5,177	3,807
Less: Classified as Current Maturity	726	725
<b>Non Current Liabilities</b>	<b>4,451</b>	<b>3,082</b>
Less: Amortisation of Loan Transaction Cost as per Ind AS	16	8
<b>Non Current Liabilities</b>	<b>4,435</b>	<b>3,074</b>

#### SECURITY:

- Term loans from State Bank of India, Indore is secured by way of first charge and equitable mortgage of immovable properties including freehold land situated at Khasara No. 145; 146;149/2;149/3 & 149/4 and leasehold land situated at Plot no. 199, 200A & 200 B, Sector-1 Pithampur and hypothecation of all the company's movable machinery, present and future.
- Term loan from HDFC Bank Ltd, Indore of Rs.2,000 Lakh is secured by way of first charge and Term loan of Rs.2,500 Lakh is secured by way of second pari-passu charge and equitable mortgage of immovable properties including freehold land situated at Khasara No. 145; 146;149/2;149/3 & 149/4 and leasehold land situated at Plot no. 199, 200A & 200 B, Sector-1 Pithampur and hypothecation of all the company's movable machinery, present and future.
- Both the lender have pari passu charge on the stock of raw materials, goods in process, finished and manufactured goods and book debts towards security for working capital facilities.
- Term loans are also secured by personal guarantee of the Managing Director.

#### Terms of Repayment of Long Term Borrowings

(Rs. in Lakhs)

Particulars	Total Tenor of Loan	Frequency of Installment	No. of Installments Due as on 31.3.2020	Amount (Rs. In Lakhs) Outstanding	Rate of Interest
State Bank of India	6 years	Quarterly	20	1,657	9.40
HDFC Bank Ltd	7 years	Monthly	66	2,335	8.55
HDFC Bank Ltd	7 years	Monthly	48	1,140	8.55
HDFC Bank Ltd (BMW)	5 years	Monthly	39	45	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 2020	As at 31st March 2019
At the Start of the Year	865	909
Add: on account of IND AS adjustments	-	-
Charge/(Credit) to Statement of Profit & Loss	268	(44)
<b>Total</b>	<b>1,133</b>	<b>865</b>

## Notes annexed to and forming part of the Financial Statements

### Component of Deferred Tax Liabilities/(Assets)

(Rs. in Lakhs)

Particulars	As at 31st March-2019	Charge/(credit) to Statement of Profit & Loss	As at 31st March-2020
Deferred Tax Liabilities/(Assets) in relation to :			
Property, Plant & Equipment	865	255	1,120
On Account of Expected Credit Loss	-	13	13
<b>Total</b>	<b>865</b>	<b>268</b>	<b>1,133</b>

### Current Liabilities

#### 22. Borrowings

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Secured Considered Good</b>		
Loans repayable on demand		
(a) From Bank	3,065	3,499
<b>Unsecured Considered Good</b>		
(b) Loans and advances from related parties (Refer Note No. 40)	102	220
(b) Loans and advances from others	88	-
<b>Total</b>	<b>3,255</b>	<b>3,719</b>

#### Security

A. Loans repayable on demand from State Bank of India, Indore; HDFC Bank Ltd., Indore and CITI Bank Mumbai are working capital loans, which are secured by hypothecation of entire current assets of the Company at 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.

SBLC Facilities of CITI Bank is secured by 2nd Pari Passu charge over Fixed Assets of the Company with other Working Capital Lenders (Security creation is under process).

B. Loans payable on demand to 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 Commitments (Rs. In Lakhs):-

S.No.	Name of Bank	Nature of Facility	Amount Sanctioned	Amount Undrawn
1	Citi Bank NA	Working Capital	1,000	1,000
2	HDFC Bank Ltd	New Term Loan	2,000	859

#### 23. Trade Payables

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises,	4	76
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises Include Rs. NIL (Previous Year includes Rs.10 Lakhs) to Wholly Own Subsidiary Rajratan Thai Wire Co. Ltd.)	2,205	2,476
<b>Total</b>	<b>2,209</b>	<b>2,552</b>



## Notes annexed to and forming part of the Financial Statements

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 31,2020 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	4	76
	Interest	0	0
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	0
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	0

### 24. Other Financial Liabilities

(Rs. in Lakhs)

Particulars	(Rs. in Lakhs)	
	As at 31st March 2020	As at 31st March 2019
Current Maturities of Long Term debts (See Note 20)	726	725
Interest accrued and due on borrowings	13	13
Interest accrued but not due on borrowings	20	12
Unpaid Amount of Fractional Shares	2	-
Unpaid Dividends	4	6
<b>Total</b>	<b>765</b>	<b>756</b>

### 25. Other Current Liabilities

(Rs. in Lakhs)

Particulars	(Rs. in Lakhs)	
	As at 31st March 2020	As at 31st March 2019
(i) Advance received from Customers	7	20
(ii) Creditors for Capital Goods (Includes Rs. 307 Lakhs (Previous Year Rs. 169 Lakhs) due to related party Refer Note No.40)	381	347
(iii) Statutory Liabilities	155	269
<b>Total</b>	<b>543</b>	<b>636</b>

## Notes annexed to and forming part of the Financial Statements

### 26. Current Tax Liability

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Income Tax (Net of advance Tax Rs. 719 Lakhs, (Previous Year Rs.524 Lakhs)	-	66
<b>Total</b>	<b>-</b>	<b>66</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 2020	Year ended 31st March 2019
Profit Before Tax	3,279	2,419
Applicable Tax Rate	29.12%	29.12%
<b>Computed Tax Expenses</b>	<b>955</b>	<b>704</b>
Tax effect of:		
IndAS Adjustments	13	14
Exempted Income/ Income at Special Rate	-	-
Expenses disallowed	(724)	(293)
Deductions under chapter VIA	160	120
Tax at Special Rate on LTCG	-	-
(Short)/Excess Provision of earlier years	(0)	(5)
Interest on Shortfall of Advance Tax	-	10
<b>Current Tax Provision (A)</b>	<b>701</b>	<b>594</b>
Incremental Deferred Tax Liability on account of Tangible and Intangible Assets	268	(44)
<b>Deferred Tax Provision (B)</b>	<b>268</b>	<b>(44)</b>
<b>Tax Expenses recognised in Statement of Profit and Loss (A+B)</b>	<b>969</b>	<b>550</b>
<b>Effective Tax Rate</b>	<b>29.54%</b>	<b>22.74%</b>

As per IND AS 12 "Income Taxes", the disclosures as defined are given below:

(a) Current Tax Expense (Income)	701
(b) Any adjustments recognised in the period for current tax of prior periods	(0)
<b>Net Tax Expense</b>	<b>701</b>

### 27. Revenue from Operations

(Rs. in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Sale of Manufactured Goods	28,074	29,335
Sale of Traded Goods	538	2,113
Other Operating Revenue	2	8
<b>Total</b>	<b>28,614</b>	<b>31,456</b>

### 28. Other Income

(Rs. in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Interest Income	68	169
Other Non Operating Income	-	-
Debit/credit Balance w/off	1	-
Profit on Sale of assets	8	2
Gain on Exchange Fluctuation	86	53
<b>Total</b>	<b>163</b>	<b>224</b>

## Notes annexed to and forming part of the Financial Statements

### 29. Cost of Materials Consumed

(Rs. in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Wire Rod/Wire	16,284	19,910
Ancillary Raw Material	294	342
<b>Total</b>	<b>16,578</b>	<b>20,252</b>

### 30. Cost of Traded Goods

(Rs. in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Wire Rod	-	1,667
Bead Wire	492	354
Others	22	11
<b>Total</b>	<b>514</b>	<b>2,032</b>

### 31. Change in Inventories of Finished Goods and & Work-in-progress

(Rs. in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Opening Stock</b>		
Work-in-Progress	122	105
Finished Goods	728	335
Stock-in-transit	235	-
	<b>1,085</b>	<b>440</b>
<b>Closing Stock</b>		
Work-in-Progress	107	122
Finished Goods	888	728
Stock-in-transit	148	235
	<b>1,143</b>	<b>1,085</b>
<b>Increase/(Decrease) in inventories of Finished Goods &amp; Work In Progress(Total)</b>	<b>(58)</b>	<b>(645)</b>

### 32. Employee Benefits Expense

(Rs. in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Salary, Wages, Bonus & Allowances	1,278	1,156
Contribution to Provident Fund	80	62
Contribution to ESIC	19	24
Contribution to Gratuity Fund	19	16
Staff Welfare Expenses	73	58
Medical Expenses Reimbursement	6	6
<b>Total</b>	<b>1,475</b>	<b>1,322</b>

### 33. Finance Costs

(Rs. in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Interest	799	674
Other Borrowing Costs	115	138
<b>Total</b>	<b>914</b>	<b>812</b>

## Notes annexed to and forming part of the Financial Statements

### 34. Other Expenses

(Rs. in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Power & Fuel	2,507	2,454
Less: Recovery of energy generated by Windmill	(113)	(128)
	<b>2,394</b>	<b>2,326</b>
Consumable Stores	437	411
Packing Material	199	198
Freight Inward	299	281
Freight Outwards	1,121	1,096
Rent	6	6
Repair to Building	26	32
Repair to Machinery	508	378
Insurance	8	8
Rates & Taxes, excluding taxes on income	6	4
Expected Credit Loss	13	3
ETP Expenses	45	37
Legal & Professional charges	87	57
CSR Expenditure	47	30
Miscellaneous Expenses (Below 1% of revenue from Operations)	345	230
<b>Total</b>	<b>5,541</b>	<b>5,097</b>

### 35. Other Comprehensive Income

(Rs. in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
(A) Items that will not be reclassified into profit or loss		-
(i) Remeasurement of defined benefit plans	(52)	(12)
<b>Total (A)</b>	<b>(52)</b>	<b>(12)</b>
(B) Items that will be reclassified to profit or loss	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>

### 36. 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	2019-20	2018-19
Employer's Contribution to Provident Fund	81	62

The Company's Provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

#### Defined Benefit Plan

##### 1) Reconciliation of opening and closing balances of Defined Benefit Obligation

(Rs. in Lakhs)

Particulars	Gratuity (Funded)	
	2019-20	2018-19
Defined Benefit Obligation at beginning of the year	304	256
Current Service Cost	20	18
Interest Cost	23	20
Past Servicer Cost (Vested benefits)	-	-
Benefits paid	(10)	(1)
Actuarial (Gain)/Loss	45	11
<b>Defined Benefit Obligation at year end</b>	<b>382</b>	<b>304</b>

## Notes annexed to and forming part of the Financial Statements

### Reconciliation of Opening and Closing balances of fair value of Plan Assets

(Rs. in Lakhs)

Particulars	Gratuity (Funded)	
	2019-20	2018-19
Fair value of Plan Assets at beginning of year	311	269
Adjustment to Opening Fair Value of Plan Asset	-	3
Expected Return on Plan Assets	18	21
Actuarial Gain/(Loss)	-	-
Employer Contribution	22	19
Benefits Paid	(10)	(1)
Fair value of Plan Assets at year end	340	311
Actual return on Plan Assets		

### Reconciliation of fair Value of Assets and Obligations

(Rs. in Lakhs)

Particulars	Gratuity (Funded)	
	As at 31st March 2020	As at 31st March 2019
Fair value of Plan Assets	340	311
Present Value of Obligation	382	304
Amount recognised in Balance Sheet (Surplus/(Deficit))	(42)	7

### Expenses recognised during the year

(Rs. in Lakhs)

Particulars	Gratuity (Funded)	
	2019-20	2018-19
<b>In Income Statement</b>		
Current Service Cost	20	18
Interest Cost	23	20
Past Service Cost	-	-
Return on Plan Assets	24	22
Net Cost	67	59
<b>In Other Comprehensive Income</b>		
Actuarial (Gain)/Loss	52	12
Return on Plan Assets		
Net (Income)/Expenses for the period recognised in OCI	52	12
<b>Investment Details</b>		
Gratuity Fund (LIC of India)	340	311
GOI Securities		
Public Securities		
State Government Securities		
Insurance Policies		
Others (Including bank balances)		
<b>Total</b>	<b>340</b>	<b>311</b>

Actuarial Assumptions	Gratuity (Funded)	
	2019-20	2018-19
<b>Mortality Table (ALM)</b>		
Discount Rate (Per Annum)	6.77%	7.66%
Rate of Escalation in Salary (Per annum)	7%	7%

## Notes annexed to and forming part of the Financial Statements

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:

Particulars	As at 31st March 2020		As at 31st March 2019	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Change in discounting rate	342	428	272	340
Change in rate of salary Escalation	427	343	340	273

### 37. Payment to Statutory Auditors:

(Rs. in Lakhs)

Particulars	2019-20	2018-19
(i) Statutory Auditors Fees	2	2
(ii) Tax Audit Fees	-	-
(iii) Certification and Consultation Fees	1	1
<b>Total</b>	<b>3</b>	<b>3</b>

### 38. 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. 33 Lakhs (Previous Year Rs.27 Lakhs).
- (b) Expenditure related to Corporate Social Responsibility is Rs.47 Lakhs (Previous Year Rs. 30 Lakhs).

Details of Amount spent towards CSR given below:

Particulars	2019-20	2018-19
(i) Contribution to Relief Fund	-	5
(ii) Livelihood	7	0
(iii) Healthcare	23	8
(iv) Environment	5	-
(v) Empowering Women	1	1
(vi) Sports	0	6
(vii) Promoting Education	11	10
<b>Total</b>	<b>47</b>	<b>30</b>

- (c) Out of note (b) above Rs. 22 Lakhs (Previous Year Rs.7 Lakhs) is spent through Rajratan Foundation, entity over which Key Management personnel exercise significant influence.
- (d) The excess amount spent during the year has been adjusted against unspent amount of earlier years. The balance unspent amount towards CSR as on balance sheet date is Rs.20 Lakhs (Previous year Rs. 34 Lakhs).

## Notes annexed to and forming part of the Financial Statements

### 39. EARNING PER SHARES (EPS)

Particulars	2019-20	2018-19
i) Net Profit after Tax as per statement of Profit and Loss attributable to Equity Shareholders (Rs. in Lakhs)	2,310	1,869
ii) Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	1,01,54,200	1,01,54,200
iii) Weighted Average Potential Equity Shares	-	-
iv) Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	1,01,54,200	1,01,54,200
v) Basic Earnings Per Share (Rs.)	22.75	18.40
vi) Diluted Earning Per Share (Rs.)	22.75	18.40
vii) Face Value per Equity Share (Rs.)	10.00	10.00

The Company has issued 58,02,400 fully paid bonus shares in the ratio of 4:3 (i.e. four bonus shares of INR 10/- each for three equity shares of INR 10/- each to every shareholder holding on 14.09.2019). The basic and diluted earnings per share for the corresponding previous year ended on 31.03.2019 is adjusted retrospectively in view of the provisions of para 64 of Ind AS 33- Earnings Per Share. Had such retrospective adjustment not been done, the weighted average number of shares for 2018-2019 would have been 4,351,800 and the Basic and Diluted Earning Per Share would be Rs. 42.94.

### 40. 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 Up to 22.07.2019 & Relative of KMP
3	Shri Rajesh Sharda	Key Managerial Personnel (KMP) (Up to 16.06.2018)
4	Shri Yashovardhan Chordia	Key Managerial Personnel (W.e.f. 22.07.2019) & Relative of KMP
5	Shri Hitesh Jain	Key Managerial Personnel (KMP)
6	Shri Shubham Jain	Key Managerial Personnel (KMP)
7	Smt. Shantadevi Chordia	Relative of KMP
8	Ms Shubhika Chordia	Relative of KMP
9	Shri Purshottam Das Nagar	Non Independent Director (Up to 31.03.2019)
10	Shri Abhishek Dalmia	Non Independent Director
11	Shri Chandrashekar Bobra	Independent Director (Up to 22.07.2019)
12	Shri Surendra Singh Maru	Independent Director (Up to 22.07.2019)
13	Shri Shiv Singh Mehta	Independent Director
14	Smt. Aparna Sharma	Independent Director (W.e.f. 22.07.2019)
15	Shri Rajesh Mittal	Independent Director (W.e.f. 22.07.2019)
16	M/s Rajratan Resources Pvt Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence
17	M/s Rajratan Investment Ltd.	Holding Company
18	M/s Rajratan Thai Wire Co. Ltd.	Wholly Own Subsidiary
19	M/s P.D. Nagar & Co.	Enterprises over which non independent Director are able to exercise significant influence (Up to 31.03.2019)
20	M/s Semac Construction LLP	Enterprises over which non independent Director are able to exercise significant influence

## Notes annexed to and forming part of the Financial Statements

(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	- (-)	- (-)	- (-)	- (-)	1,322 (2,126)	- (-)	- (-)	1,322 (2,126)
2	Sale of Goods	35 (241)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	35 (241)
3	Sale of Assets	3 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	3 (-)
4	Purchases of Stores & Spares and Goods	- (332)	- (-)	- (-)	- (-)	1 (-)	- (-)	- (-)	1 (332)
5	Rent	- (-)	- (-)	2 (2)	- (-)	- (-)	- (-)	- (-)	2 (2)
6	Interest Paid	- (-)	6 (15)	2 (2)	1 (40)	- (-)	- (15)	7 (3)	16 (36)
7	Interest Received	9 (87)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	9 (87)
8	Remuneration	- (-)	126 (126)	20 (4)	- (-)	- (-)	- (-)	- (-)	146 (130)
9	Unsecured Loan Received	- (-)	228 (37)	46 (58)	25 (6)	- (-)	- (35)	46 (40)	345 (176)
10	Unsecured Loan Repaid	- (-)	267 (234)	29 (86)	4 (-)	- (-)	- (45)	60 (-)	360 (365)
11	Sitting Fees	- (-)	- (-)	- (-)	- (-)	- (-)	4 (4)	- (-)	4 (4)
12	Legal & Professional Charges	- (-)	- (-)	- (-)	- (-)	- (9)	- (-)	- (-)	- (9)

(iii) Balances as at 31st March 2020

1	Trade Receivables	45 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	45 (-)
2	Unsecured Loan	- (-)	12 (46)	26 (7)	28 (6)	- (-)	- (117)	35 (43)	101 (219)
3	Loans and Advances Given	1,008 (1,003)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1,008 (1,003)
4	Trade Payables	- (11)	- (-)	- (-)	- (-)	- (8)	- (-)	- (-)	- (19)
5	Creditors for Capital Goods	- (-)	- (-)	- (-)	- (-)	307 (169)	- (-)	- (-)	307 (169)
6	Deposit for Rented Property	- (-)	- (-)	4 (4)	- (-)	- (-)	- (-)	- (-)	4 (4)



## Notes annexed to and forming part of the Financial Statements

(iv) Disclosure in Respect of Major Related Party Transactions during the year:

		(Rs. in Lakhs)		
	Particulars	Relationship	2019-20	2018-19
1	<b>Purchase of Tangible and Intangible Assets</b>			
	(i) Semac Construction LLP	Enterprises on Which Non Independent Director are able to exercise significant influence	1,321.72	2,126.21
2	<b>Sale of Goods</b>			
	(i) Rajratan Thai Wire Co. Ltd	Subsidiary	34.84	241.06
3	<b>Purchases of Stores &amp; Spares and Other Goods</b>			
	(i) Rajratan Thai Wire Co. Ltd	Subsidiary	-	332.26
	(ii) Semac Construction LLP	Enterprises on Which Non Independent Director are able to exercise significant influence	0.95	-
4	<b>Sale of Assets</b>			
	(i) Rajratan Thai Wire Co. Ltd	Subsidiary	3.37	-
5	<b>Rent</b>			
	(i) Smt. Sangita Chordia	Relatives of KMP	1.08	1.08
	(ii) Smt. Shantadevi Chordia	Relatives of KMP	1.08	1.08
6	<b>Interest Paid</b>			
	(i) Shri Sunil Chordia	KMP	5.45	14.97
	(ii) Smt. Sangita Chordia	Relatives of KMP	2.15	2.49
	(iii) Shri Yashovardhan Chordia	KMP & Relatives of KMP	0.05	-
	(iii) Shri Purshottam Das Nagar	Non Independent Director	-	15.04
	(iii) Rajratan Resources Pvt Ltd	Enterprises Which KMP are able to exercise significant influence	1.44	0.40
	(iv) Rajratan Investment Pvt Ltd	Holding Company	6.43	3.06
7	<b>Interest Received</b>			
	(i) Rajratan Thai wire Co. Ltd *	Subsidiary	9.23	86.57
8	<b>Remuneration</b>			
	(i) Shri Sunil Chordia	KMP	100.96	78.80
	(ii) Smt Sangita Chordia	KMP	6.30	16.88
	(ii) Smt Sangita Chordia	Relatives of KMP	13.95	-
	(iii) Shri Rajesh Sharda	KMP	-	14.49
	(iv) Shri Hitesh Jain	KMP	12.04	10.63
	(v) Shri Shubham Jain	KMP	6.34	5.55
	(vi) Ms Shubhika Chordia	Relatives of KMP	5.81	4.27
9	<b>Unsecured Loan received</b>			
	(i) Shri Sunil Chordia	KMP	227.79	36.67
	(ii) Smt. Sangita Chordia	Relatives of KMP	33.10	58.06
	(iii) Shri Purshottam Das Nagar	Independent Director	-	35.00
	(iv) Shri Yashovardhan Chordia	KMP & Relatives of KMP	13.00	-
	(iv) Rajratan Resources Pvt Ltd	Enterprises Which KMP are able to exercise significant influence	25.00	5.70
	(v) Rajratan Investment Pvt Ltd	Holding Company	45.65	40.50
10	<b>Unsecured Loan Repaid</b>			
	(i) Shri Sunil Chordia	KMP	266.50	234.00
	(ii) Smt. Sangita Chordia	Relatives of KMP	29.15	86.00
	(iv) Rajratan Resources Pvt Ltd	Enterprises Which KMP are able to exercise significant influence	4.00	-
	(v) Rajratan Investment Pvt Ltd	Holding Company	59.50	-
	(iii) Shri Purshottam Das Nagar	Non Independent Director	-	45.00

## Notes annexed to and forming part of the Financial Statements

(Rs. in Lakhs)

	Particulars	Relationship	2019-20	2018-19
11	<b>Sitting Fees</b>		-	-
	(i) Shri Purshottam Das Nagar	Non Independent Director	-	1.00
	(ii) Shri Chandrashekhar Bobra	Independent Director	0.50	0.80
	(iii) Shri Abhishek Dalmia	Non Independent Director	0.55	0.40
	(iv) Shri Surendra Singh Maru	Independent Director	0.20	0.90
	(v) Shri Shiv Singh Mehta	Independent Director	1.25	0.40
	(vi) Smt Aparna Sharma	Independent Director	0.90	-
	(vii) Shri Rajesh Mittal	Independent Director	0.60	-
12	<b>Counsltancy Charges</b>		-	-
	(i) P. D. Nagar & Co.	Enterprises Which Non Independent Director are able to exercise significant influence	-	9.00

\* Interest charged to Rajratan Thai Wire Co.Ltd. (Wholly Own Subsidiary) Rs.9 Lakhs is net of exchange gain of Rs.81 Lakhs accounted for separately in other income.

### (v) Balances as at 31st March, 2020

(Rs. in Lakhs)

	Particulars	Relationship	31/03/20	31/03/19
1	<b>Trade Receivables</b>			
	(i) Rajratan Thai Wire Co. Ltd.	Subsidiary	45.09	-
2	<b>Unsecured Loan</b>			
	(i) Shri Sunil Chordia	KMP	12.22	46.03
	(ii) Smt Sangita Chordia	Relatives of KMP	13.15	7.27
	(iii) Shri Purshottam Das Nagar	Non Independent Director	-	116.89
	(iv) Shri Yashovardhan Chordia	KMP & Relatives of KMP	13.04	-
	(v) Rajratan Resources Pvt Ltd	Enterprises Which KMP are able to exercise significant influence	28.35	6.06
	(vi) Rajratan Investment Pvt Ltd	Holding Company	35.19	43.26
	<b>Trade Payables</b>			
	(i) Rajratan Thai Wire Co. Ltd.	Subsidiary	-	10.50
	(ii) Semac Construction Technologies LLP	Enterprises Which Non Independent Director are able to exercise significant influence	307.24	168.70
	(iii) P D Nagar & Co.	Enterprises Non Which Independent Director are able to exercise significant influence	-	8.10
3	<b>Loans and Advances</b>			
	(i) Rajratan Thai Wire Co. Ltd.	Subsidiary	1,007.85	1,002.51

The related party transactions were made on terms equivalent to those that prevail in an arm's length transactions.

### (vi) 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	2019-20	2018-19
Short-term benefits	145	131
<b>Total</b>	<b>145</b>	<b>131</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.

## Notes annexed to and forming part of the Financial Statements

### 41. CONTINGENT LIABILITIES AND COMMITMENTS

(Rs. in Lakhs)

Particulars	2019-20	2018-19
<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 issued by Banks extended to third parties and other Guarantees (Rs. In Lakhs)	214	NIL
(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\$ 2.1 Mn	US\$ 1.4 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) VAT & 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

Particulars	Financial year	Rs. In Lakhs	Forum Where dispute is pending
VAT	2014-15	4	Additional CCT(A), Indore
Excise	Apr'2016 to June 17	3	CESTAT New Delhi

- (iii) Madhya Pradesh Paschim Khestra Vidhyut Vitran Company Ltd. (MPPKVCL) has raised a supplementary bill to the Company for Rs. 202 Lakhs for non-adjustment of solar units in Time Of Day (TOD) manner. The demand was not accepted by the Company and an appeal was filled before Electricity Consumer Grievances Redressal Forum. Initially Stay was granted by Hon'ble M.P. High Court against the subsequent demand. However the Stay was vacated and Hon'ble M.P. High Court directed to approach Electricity Consumer Grievances Redressal Forum. Against this order the Company has filed writ petition before Division Bench of High Court. The Company has entered into Solar Power Purchase Agreement with the suppliers of the Solar panel equipments which has resulted in the present demand. Thus any demand which crystallizes will be indemnified by the suppliers. The Company has already withhold a sum of Rs. 202 Lakhs payable to such suppliers, which is classified as Current Liability. Therefore, no further provisions/outflow of resources is envisaged.

#### (II) Commitments

Particulars	2019-20	2018-19
(A) Estimated amount of contracts remaining to be executed on capital account and not provided for: (Rs. In Lakhs)	250	2,137
(B) Other Commitments	NIL	NIL

### 42. 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.

## Notes annexed to and forming part of the Financial Statements

The gearing ratio at end of the reporting period was as follows.

Particulars	(Rs. in Lakhs)	
	As at 31st March 2020	As at 31st March 2019
Non-Current Liabilities (Other than DTL)	4,435	3,074
Current maturities of Long Term debts	726	725
Gross Debt	5,161	3,799
Cash and Cash Equivalents	7	11
Net Debt (A)	5,154	3,788
Total Equity (As per Balance Sheet) (B)	14,782	12,873
<b>Net Gearing (A/B)</b>	<b>0.35</b>	<b>0.29</b>

### 43. FINANCIAL INSTRUMENTS

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- (a) 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.
- (b) The fair value of Forward Foreign Exchange contracts and is determined using forward exchange rates at the balance sheet date.
- (c) 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 2020	As at 31st March 2019
<b>Financial Assets</b>		
<b>At Amortised Cost</b>		
Investments*	3,838	3,838
Trade Receivables	6,141	6,119
Cash and Bank Balances	303	400
Loans	1,313	1,386
Other Financial Assets	2	4
<b>At FVTPL</b>		
Investments	-	0.03
<b>At FVTOCI</b>		
Investments		
<b>Financial Liabilities</b>		
<b>At Amortised Cost</b>		
Borrowings	4,435	3,074
Trade Payables	2,209	2,552
Other Financial Liabilities	4,020	4,475

\*Investments in Subsidiary

## Notes annexed to and forming part of the Financial Statements

### 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 2020		As at 31st March 2019	
	USD	EUR	USD	EUR
Loans Receivable	(13)	-	(14)	-
FCNR (B) DL	-	-	-	-
Working Capital Demand Loan (in Foreign Currency)	-	-	-	-
Trade and Other Payables	1	-	0.16	-
Trade and Other receivables	(2)	-	(1)	(1)
Buyers Credit	-	-	6	-
Derivatives	-	-	-	-
- Forwards & Futures	-	-	-	-
- Currency Swap	-	-	-	-
- Options	-	-	-	-
<b>Net Exposure</b>	<b>(14)</b>	<b>-</b>	<b>(9)</b>	<b>(1)</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 2020		As at 31st March 2019	
	USD	EUR	USD	EUR
1% Depreciation in INR				
Impact on P & L	(11)	-	(7)	(1)
<b>Total</b>	<b>(11)</b>	<b>-</b>	<b>(7)</b>	<b>(1)</b>
1% Appreciation in INR				
Impact on P & L	11	-	7	1
<b>Total</b>	<b>11</b>	<b>-</b>	<b>7</b>	<b>1</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 2020	As at 31st March 2019
Loans		
Long Term Loan	4,435	3,074
Short Term Unsecured Loan	190	220
Short Term Loan (including Current Maturity of Long Term Loan)	3,791	4,224
<b>Total</b>	<b>8,416</b>	<b>7,518</b>

Impact on Interest Expenses for the year on 1% change in Interest rate

## Notes annexed to and forming part of the Financial Statements

Impact on Interest Expenses for the year on 1% change in Interest rate

### Interest rate Sensitivity

(Rs. in Lakhs)

Particulars	As at 31st March 2020		As at 31st March 2019	
	Up Move	Down Move	Up Move	Down Move
Impact on Equity				
Impact on P & L	82	(82)	73	(73)
<b>Total Impact</b>	<b>82</b>	<b>(82)</b>	<b>73</b>	<b>(73)</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. There were no outstanding forward covers at the end of the financial year.

44. As per Ind AS 108-"Operating Segment", segment information has been provided under the Notes to Consolidated Financial Statement.

45. DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186(4) OF THE COMPANIES ACT,2013.

Sr. No.	Particulars	Name of Entity	Relations	Purpose	Amount
1	Loan Given*	Inter Corporate Deposit	-	Business Purpose	Rs. 415 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 \$ 2.10 Mn
3	Investments Made	Rajratan Thai wire Co. Ltd.	Wholly Owned Subsidiary	Investments	Rs. 3,838 Lakhs

\*Out of the unsecured inter corporate loan of Rs. 415 Lakhs given during the year to various parties. The outstanding balance as on 31st March, 2020 is Rs. 183 Lakhs.

## Notes annexed to and forming part of the Financial Statements

46. The research and development expenditure for the year ended March 2020 amounts to Rs. 9,689 Lakhs.

### 47 Ind AS 116- Leases

The industrial land allotted by MPAKVN is on a lease of 30 years, which is further renewable and is recognised in the financial statements. Since the monthly lease payments for such leases are not material, the management has decided to apply the recognition exemption as per Para 5(b) of IND AS 116, wherein the entity need not apply the requirements for which, the recognition and measurement of lease liability for which the underlying asset is of low value.

### 48 Estimation of uncertainties relating to the global health pandemic COVID-19

(I) The Company has undertaken major expansion in production capacity in the financial year 2018-19. The Company has also obtained financial assistance from banks in this regard. The Company foresees a contraction in demand due to a prolonged lock-down resulting in its inability to deploy resources due to restrictions in mobility. The impact on revenue streams could come from the inability of customers to procure material due to financial constraints or their products no longer being availed of by customers. The Company has assessed that with most of its customers being primarily into manufacturing tyres for two wheelers, passenger cars and other transport vehicles and being vulnerable to a disruption in supply chain and demand erosion (their customers needing to re-prioritise their discretionary spends) there was need to be a priority to conserve resources. The Company has considered such impact to the extent known and available. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

(II) The leases that the Company entered with lessors towards properties used as industrial land are long-term in nature and no significant changes in the terms of those leases are expected due to the COVID-19. Other leases for office premises are for the short-term and not involving any material amounts.

### 49 APPROVAL OF FINANCIAL STATEMENTS

The financial statements are approved for issue by the Board of Directors in their meeting held on 22nd May, 2020.

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: 22nd May 2020

FOR AND ON BEHALF OF BOARD

(SHIV SINGH MEHTA)  
DIRECTOR  
DIN:00023523

(SHUBHAM JAIN)  
COMPANY SECRETARY

(SUNIL CHORDIA)  
CHAIRMAN & 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 March 31 2020, 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 March 31, 2020, 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 March 31, 2020. 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)	
The management is of the opinion that it controls the goods before transferring them to the customer.  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..	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:



Key Audit Matters	How our audit addressed the Key Audit Matters
<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>	<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>
<p><b>Expected Credit Loss</b> (as described in note 2.2(o)(i)(E) of the consolidated Ind AS financial statements)</p>	
<p>The Company determines expected credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions.</p> <p>The Company considered current and anticipated future economic conditions and effect from the pandemic relating to COVID -19. We identified expected credit losses as a key audit matter because the Company exercises significant judgment in calculating the same.</p>	<p>Our audit procedures related to verification of expected credit losses for trade receivables included the following, among others:</p> <p>We tested the effectiveness of controls over the</p> <ol style="list-style-type: none"> <li>(1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions</li> <li>(2) completeness and accuracy of information used in the estimation of probability of default and</li> <li>(3) Computation of the allowance for credit losses based on the age wise details of trade receivables provided to us.</li> </ol> <p>We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.</p>

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 2019-20, 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.

#### **Responsibilities of Management and Those Charged with Governance 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.15,575.17 Lakhs as at March 31, 2020, total revenues of Rs.19,441.47 Lakhs, and net cash inflow of Rs.0.90 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 March 31, 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2020 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 40 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  
UDIN - 20404709AAAAAK6713

Place: Indore  
Dated: 22.05.2020

## Annexure - A to the Independent 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 2020, 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 31 March 2020, 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)

Place: Indore  
Dated:22.05.2020

Proprietor  
M.No. 404709

# Consolidated Balance Sheet as at 31st March 2020

(Rs. in Lakhs)

Particulars	Note	As at 31st March 2020	As at 31st March 2019
<b>I. ASSETS</b>			
<b>1 NON CURRENT ASSETS</b>			
(a) Property Plant and Equipment	3	22,860	16,811
(b) Capital work-in-progress	4	992	3,202
(c) Goodwill	5	10	10
(d) Other Intangible Assets	6	22	26
(e) Intangible assets under development	7	14	3
(f) Financial Assets			
(i) Investments	8	0	0
(ii) Loans	9	122	153
(g) Deferred Tax Assets	10	-	44
(h) Other non- current Assets	11	91	316
		<b>24,111</b>	<b>20,565</b>
<b>2 CURRENT ASSETS</b>			
(a) Inventories	12	4,132	4,521
(b) Financial Assets			
(i) Trade Recievables	13	8,373	7,179
(ii) Cash and Cash Equivalentts	14	14	16
(iii) Bank Balances other than (ii) above	15	296	389
(iv) Loans	16	183	500
(v) Other financial assets	17	2	4
(c) Other Current Assets	18	696	149
		<b>13,696</b>	<b>12,758</b>
<b>TOTAL ASSETS</b>		<b>37,807</b>	<b>33,323</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	19	1,015	435
(b) Other Equity	20	16,333	13,805
		<b>17,348</b>	<b>14,240</b>
<b>LIABILITIES</b>			
<b>1 NON CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	21	5,360	3,964
(b) Deferred Tax Liabilities (Net)	22	1,133	865
(c) Other Non Current Laibilities	23	7	5
		<b>6,500</b>	<b>4,834</b>
<b>2 CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	24	8,294	8,887
(ii) Trade Payables	25	4,032	3,617
(iii) Other financial liabilities	26	965	911
(b) Other Current Liabilities (Net)	27	624	768
(c) Current Tax Liabilities	28	44	65
		<b>13,959</b>	<b>14,248</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>37,807</b>	<b>33,322</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: 22nd May 2020

FOR AND ON BEHALF OF BOARD

(SHIV SINGH MEHTA)  
DIRECTOR  
DIN:00023523

(SHUBHAM JAIN)  
COMPANY SECRETARY

(SUNIL CHORDIA)  
CHAIRMAN & MANAGING DIRECTOR  
DIN:00144786

(HITESH JAIN)  
CHIEF FINANCIAL OFFICER

## Consolidated Statement of Profit & Loss for the year ended 31st March 2020

(Rs. in Lakhs)

Particulars	Note	Year ended 31st March 2020	Year ended 31st March 2019
<b>Revenue</b>			
I Revenue from Operations	29	48,021	49,289
II Other Income	30	117	170
<b>III TOTAL (I+II)</b>		<b>48,138</b>	<b>49,459</b>
<b>IV Expenses</b>			
Cost of materials consumed	31	28,633	32,616
Purchase of Stock-in-Trade	32	492	1,464
Changes in inventories of finished goods, Stock-in-Trade and Work-in-Progress	33	227	(1,003)
Employee benefit expense	34	2,705	2,412
Finance costs	35	1,339	1,081
Depreciation and amortization expense	4 & 6	1,209	919
Other expenses	36	9,162	8,560
<b>TOTAL (IV)</b>		<b>43,767</b>	<b>46,049</b>
<b>V Profit / (Loss) before tax before exceptional items and tax (III-IV)</b>		<b>4,371</b>	<b>3,410</b>
<b>VI Profit / (Loss) before tax (V+VI)</b>		<b>4,371</b>	<b>3,410</b>
<b>VII Tax Expenses Continued Operations</b>			
(1) Current Tax		755	594
(2) Deferred Tax		312	145
<b>VIII Profit / (Loss) for the period from Continuing Operations (VI-VII)</b>		<b>3,304</b>	<b>2,671</b>
<b>IX Other Comprehensive Income</b>	37		
A (i) Items that will not be reclassified to profit or loss		(52)	(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		205	155
(ii) Income Tax relating to items that will be reclassified to profit or loss			
<b>X Total Comprehensive Income for the period (Comprising Profit(Loss) and Other Comprehensive Period for the period (XII+XIII))</b>		<b>3,457</b>	<b>2,814</b>
<b>XI Total Comprehensive Income attributable to:</b>			
a) Parent Company		3,457	2,814
b) Non Controlling Interest		-	-
<b>XII Total Comprehensive Income for the period (Comprising Profit/(Loss) and Other Comprehensive Period for the period net of Non Controlling Interest)</b>		<b>3,457</b>	<b>2,814</b>
<b>XIII Earnings per Equity Share (for discontinued and continuing operations)</b>			
- Basic		32.54	26.30
- Diluted		32.54	26.30
- Face Value		10.00	10.00
<b>XIV 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: 22nd May 2020

FOR AND ON BEHALF OF BOARD

(SHIV SINGH MEHTA)  
DIRECTOR  
DIN:00023523

(SHUBHAM JAIN)  
COMPANY SECRETARY

(SUNIL CHORDIA)  
CHAIRMAN & MANAGING DIRECTOR  
DIN:00144786

(HITESH JAIN)  
CHIEF FINANCIAL OFFICER

# Consolidated Statement of Changes in Equity for the period ended 31st March 2020

## A. Equity Share Capital

(Rs. in Lakhs)

Balance at the beginning of reporting period as on 1st April 2018	Changes in Equity share capital during the year 2018-19	Balance at the end of reporting period as on 31st March 2019	Changes in Equity share capital during the year 2019-20	Balance at the end of reporting period as on 31st March 2020
435	-	435	580	1,015

## B. Other Equity

(Rs. in Lakhs)

Particulars	Reserves and Surplus			Revaluation Surplus	Exchange difference on translating the financial statements of foreign operations	Total
	Securities Premium	Retained Earnings	General Reserve			
<b>AS on 31st March 2019</b>						
Balance at the beginning of reporting period as on 1st April 2018	840	3,471	5,575	412	772	11,070
Changes in Accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at the beginning of reporting period 1st April 2018	840	3,471	5,575	412	772	11,070
Profit for the period 2018-19	-	2,671	-	-	155	2,825
Other comprehensive income for the period 2018-19	-	(12)	-	-	-	(12)
Issued during the year						
Dividends	-	(79)	-	-	-	(79)
Transferred to Retained Earnings	-	-	-	-	-	-
Transferred to General Reserve	-	(600)	600	-	-	-
<b>Balance at the end of reporting period as on 31st March 2019</b>	<b>840</b>	<b>5,451</b>	<b>6,175</b>	<b>412</b>	<b>927</b>	<b>13,805</b>

## B. Other Equity

(Rs. in Lakhs)

Particulars	Reserves and Surplus			Revaluation Surplus	Exchange difference on translating the financial statements of foreign operations	Total
	Securities Premium	Retained Earnings	General Reserve			
<b>AS on 31st March 2020</b>						
Balance at the beginning of reporting period as on 1st April 2019	840	5,451	6,175	412	927	13,805
Changes in Accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at the beginning of reporting period 1st April 2019	840	5,451	6,175	412	927	13,805
Profit for the period 2019-20	-	3,304	-	-	205	3,509
Other comprehensive income for the period 2019-20	-	(51)	-	-	-	(51)
Issued during the year						
Dividends	0	(105)	-	-	-	(105)
Interim Dividends	0	(245)	-	-	-	(245)
Redemption for issue of Bonus Share	(580)	-	-	-	-	(580)
Transferred to Retained Earnings	-	-	-	-	-	-
Transferred to General Reserve	-	(1,825)	1,825	-	-	-
<b>Balance at the end of reporting period as on 31st March 2020</b>	<b>260</b>	<b>6,529</b>	<b>8,000</b>	<b>412</b>	<b>1,132</b>	<b>16,333</b>

## C. Purpose of Each Reserve within Equity

### 1 Securities Premium

Where a company issues shares at a premium, whether for cash or otherwise, a sum 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 Cash Flow Statement For the period ended 31st March 2020

(Rs. in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>A. Cash Flow from Operating Activities</b>		
Net Profit / (Loss) before tax as per Statement of Profit and Loss	4,371	3,410
Adjustments for:		
Depreciation /Amortisation Expenses	1,209	919
(Profit)/Loss on Sales/Discard of Assets (Net)	(0.08)	4
Finance Cost	1,339	1,081
Remeasurement of defined Benefit Plans	(52)	(12)
<b>Operating Profit before Working Capital Changes</b>	<b>6,867</b>	<b>5,403</b>
Adjustments for:		
(Increase)/Decrease in Trade & Other Receivables	(1,424)	207
(Increase)/Decrease in Financial Assets & Other Non Current Assets	255	(274)
(Increase)/Decrease in Inventories	389	(947)
Increase/(Decrease) in Working Capital Limits	(593)	219
Increase/(Decrease) in Trade and Others Payables	328	724
<b>Net Cash generated from / (used) in Operating Activities</b>	<b>5,822</b>	<b>5,332</b>
Taxes (Paid) / Refund (net)	(777)	(580)
<b>Net Cash generated from / (used) in Operating Activities</b>	<b>5,045</b>	<b>4,751</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of tangible and intangible assets	(4,532)	(7,151)
Disposal of Investment	0.03	-
Sale Proceeds from disposal of tangible and intangible assets	41	19
<b>Net Cash generated from / (used in) Investing Activities</b>	<b>(4,491)</b>	<b>(7,132)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings	1,396	3,572
Change in Foreign Currency Translation Reserve	(357)	(224)
Impact of Deferred Tax Assets on Foreign Currency Translation	-	2
Dividend Paid	(290)	(65)
Dividend Tax Paid	(60)	(13)
Finance Cost	(1,339)	(1,081)
<b>Net Cash generated from / (used in) Financing Activities</b>	<b>(650)</b>	<b>2,191</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(96)</b>	<b>(189)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>405</b>	<b>595</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>309</b>	<b>405</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents</b>	<b>(96)</b>	<b>(189)</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

(SHIV SINGH MEHTA)  
DIRECTOR  
DIN:00023523

(SUNIL CHORDIA)  
CHAIRMAN & MANAGING DIRECTOR  
DIN:00144786

INDORE  
Dated: 22nd May 2020

(SHUBHAM JAIN)  
COMPANY SECRETARY

(HITESH JAIN)  
CHIEF FINANCIAL OFFICER

# Notes annexed to and forming part of the Consolidated Financial Statements

## Significant Accounting Policies

### 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.

#### (a) Basis of Preparation of Financial Statements

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 = 2.303993 INR prevailing as at the Balance Sheet date. Revenues and expenses are translated into Indian Rupee at average rate of 1 Thai Baht = 2.294771 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. 2,145 Lakhs is also considered as part of Foreign Currency Translation Reserve.

### 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 recognised when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognised 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 (PPE) 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.

## Notes annexed to and forming part of the Consolidated Financial Statements

- 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 capitalised 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.
- 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 capitalised. 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.

### 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 upgradation among others 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 Work-in-Progress'

## Notes annexed to and forming part of the Consolidated Financial Statements

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 capitalised 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 expenses 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 comprise 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 stores and spares, packing materials, trading and other products are determined at Cost, with moving average price on FIFO basis

### 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 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 and 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

## Notes annexed to and forming part of the Consolidated Financial Statements

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, and are adjusted to reflect the current management estimate.
- iv) Contingent assets are not recognised 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 capitalised 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 Benefit Expenses

#### 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

## Notes annexed to and forming part of the Consolidated Financial Statements

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 obligations 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.

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. 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 operations includes sale of goods, services are adjusted for discounts (net), and gain/loss on corresponding hedge contracts.

## Notes annexed to and forming part of the Consolidated Financial Statements

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.3 (a).

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 recognised 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 recognised 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

## Notes annexed to and forming part of the Consolidated Financial Statements

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 Statement of Profit and Loss.

#### 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 recognised 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 amortised 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 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



## Notes annexed to and forming part of the Consolidated Financial Statements

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 derecognised 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:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- b. Held primarily for the purpose of trading;
- c. Expected to be realised within twelve months after the reporting period, or
- d. 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:

- a. It is expected to be settled in normal operating cycle;
- b. It is held primarily for the purpose of trading;

## Notes annexed to and forming part of the Consolidated Financial Statements

- 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'.

## 2.2 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 recognised 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.

The Management has considered the possible effects of Global Pandemic COVID-19 while preparing the financial statements. Refer Note No.49..

### 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 and cash discounts, among others. 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.

## Notes annexed to and forming part of the Consolidated Financial Statements

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.

**d) Provisions**

Provisions and liabilities are recognised 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 the chances of an asset getting impaired on 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 annexed to and forming part of the Consolidated Financial Statements

## 3. Property, Plant and Equipment as at 31st March 2019

Particulars	Gross Block (at cost)				Depreciation / Amortisation				Net Block			
	As at 1st April 2018	Additions during the year	Deductions	Adjustment for Foreign Currency Translation	As at 31st March 2019	Upto 31st March 2018	For the year	Deductions	Adjustment for Foreign Currency Translation	Up to 31st March 2019	As at 31st March 2018	As at 31st March 2019
a) Land												
A) Owned Assets												
a) Free Hold Land	1,280	273	-	40	1,593	-	-	-	-	-	-	1,593
B) Leased Assets	-	-	-	-	-	-	-	-	-	-	-	-
a) Lease Hold Land	288	4	-	-	292	16	4	-	-	20	272	272
C) Building	2,550	1,508	-	112	4,170	228	115	-	26	369	3,801	2,322
D) Plant and Equipment	10,048	2,600	28	373	12,993	1,337	737	6	138	2,206	10,787	8,711
E) Furniture and Fixtures	114	11	-	4	129	24	10	-	2	36	94	90
F) Vehicles	222	90	13	8	307	48	35	11	3	75	232	173
G) Office Equipment	62	14	-	3	79	29	14	-	4	47	32	32
<b>TOTAL</b>	<b>14,564</b>	<b>4,500</b>	<b>41</b>	<b>540</b>	<b>19,563</b>	<b>1,682</b>	<b>915</b>	<b>17</b>	<b>173</b>	<b>2,752</b>	<b>16,811</b>	<b>12,880</b>

<b>4. Capital Work In Progress</b>	555	4,079	1,442	10	3,202	-	-	-	-	-	-	3,202	555
<b>TOTAL</b>	<b>555</b>	<b>4,079</b>	<b>1,442</b>	<b>10</b>	<b>3,202</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,202</b>	<b>555</b>

## 5. Goodwill

On Merger of Cee Cee Engineering Industries Pvt. Ltd. (wef 01.04.2017)	10	-	-	-	10	-	-	-	-	-	-	10	10
<b>TOTAL</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>10</b>

## 6. Other Intangible Assets

Technical Know How	-	-	-	-	-	-	-	-	-	-	-	-	-
Software	20	10	-	1	31	0	4	-	0	5	26	19	
<b>TOTAL</b>	<b>20</b>	<b>10</b>	<b>-</b>	<b>1</b>	<b>31</b>	<b>0</b>	<b>4</b>	<b>-</b>	<b>0</b>	<b>5</b>	<b>26</b>	<b>19</b>	

## 7. Intangible Assets Under Development

ERP Software	-	3	-	-	3	-	-	-	-	-	-	3	-
<b>TOTAL</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>

## Notes annexed to and forming part of the Consolidated Financial Statements

### 3. Property, Plant and Equipment as at 31st March 2020

Particulars	Gross Block (at cost)				Depreciation / Amortisation				Net Block		
	As at 1st April 2019	Additions during the year	Deductions	Adjustment for Foreign Currency Translation	As at 31st March 2020	Upto 31st March 2019	For the year	Deductions	Adjustment for Foreign Currency Translation	Up to 31st March 2020	As at 31st March 2020
a) Land											
A) Owned Assets											
a) Free Hold Land	1,593	3	-	49	1,645	-	-	-	-	-	1,593
B) Leased Assets											
a) Lease Hold Land	292	304	-	-	596	20	10	-	-	30	566
C) Building	4,170	1,959	6	141	6,264	369	205	2	36	608	5,656
D) Plant and Equipment	12,993	4,506	50	516	17,965	2,206	928	17	189	3,305	14,659
E) Furniture and Fixtures	129	4	-	6	139	36	11	-	2	49	90
F) Vehicles	307	11	30	10	298	75	37	27	4	90	208
G) Office Equipment	79	17	0.09	3	99	47	13	0.06	3	63	36
TOTAL	19,563	6,804	86	724	27,004	2,753	1,203	46	233	4,144	22,860

4. Capital Work In Progress	3,202	3,324	5,606	70	992	-	-	-	-	-	992
TOTAL	3,202	3,324	5,606	70	992	-	-	-	-	-	992

### 5. Goodwill

On Merger of Cee Cee Engineering Industries Pvt. Ltd. (wef 01.04.2017)	10	-	-	-	10	-	-	-	-	-	10
TOTAL	10	-	-	-	10	-	-	-	-	-	10

### 6. Other Intangible Assets

Software	31	-	-	1	32	5	5		0	10	22
TOTAL	31	-	-	1	32	5	5		0	10	22

### 7. Intangible Assets Under Development

ERP Software	3	11	-	-	14	-	-	-	-	-	14
TOTAL	3	11	-	-	14	-	-	-	-	-	14

Net Book Value Table	(Rs. in Lakhs)	
	March 31, 2020	March 31, 2019
Property, Plant and equipment	22,860	16,810
Capital Work in Progress	992	3,202
Assets Classified as held for sale		

## Notes annexed to and forming part of the Consolidated Financial Statements

- 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 March 31, 2020 was Rs.181.20 Lakhs (for the year March 31, 2019: Rs. 171.68 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. 253.38 Lakhs (Previous Year Rs.217.36 Lakhs)
- The amount of contractual commitments for the acquisition of property, plant and equipment; is Rs. 489 Lakhs; (Previous Year Rs.2,326 Lakhs).
- Part of Leasehold land admeasuring 15,700 Sq. Mtr. (Cost Rs.10 Lakhs) and part of freehold land admeasuring 27890 Sq. Mtr. (Cost Rs.21 Lakhs) is stated at revalued amount of Rs.272 Lakhs and Rs.433 Lakhs respectively.

### Financial Assets

(Rs. in Lakhs)

#### 8. Investments

Particulars	As at 31st March 2020	As at 31st March 2019
<b>1 Investment in Equity Instruments</b>		
(a) NIL Equity Shares of Rs 10/- Each of M/s Shamrao Vithaldas Co. Operative Society Limited, Mumbai (Previous Year 250 Equity Shares of Rs.10/- each aggregating to Rs.2500/-)	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
Aggregate amount of quoted investments	NIL	NIL
Aggregate amount of unquoted investments	NIL	0
Aggregate amount of impairment in value of investments	NIL	NIL

#### 9. Loans

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Security Deposits</b>		
Unsecured, Considered good	122	153
<b>Total</b>	<b>122</b>	<b>153</b>

#### 10. Deferred Tax Assets

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Deferred Tax Liabilities/(Assets) in relation to :		
Property, Plant & Equipment	-	44
<b>Total</b>	<b>-</b>	<b>44</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 Lakhs These losses have been set-off against profits earned in F.Y. 2016-17 equivalent to Rs. 1,333 Lakhs ; in F.Y. 2017-18 equivalent to Rs. 1,015 Lakhs and F.Y.2018-19 equivalent to Rs. 991 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. 267 Lakhs ; in F.Y. 2017-18 equivalent to Rs.186 Lakhs and in F.Y. 2018-19 equivalent to Rs.189 Lakhs. The Balance of Rs.44 Lakhs has been reversed during the FY 2019-20.

#### 11. Other non-current assets

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Capital Advance</b>		
Unsecured, Considered good	91	316
<b>Total</b>	<b>91</b>	<b>316</b>

## Notes annexed to and forming part of the Consolidated Financial Statements

### 12. Inventories

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
(a) Raw Material:	1,501	1,752
(b) Work-in-Progress;	534	569
(c) Finished Goods;	1,422	1,526
(d) Stock in Transit	148	235
(e) Scrap	1	1
(e) Stores & Spares	526	438
<b>Total</b>	<b>4,132</b>	<b>4,521</b>

(a) 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.

(b) Carrying amount of inventory hypothecated to secure working capital facilities Rs.4,132 Lakhs (Previous Year Rs.4,521 Lakhs).

### 13. Trade Receivables

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Considered Good Secured	-	-
Considered good-Unsecured	8,373	7,179
Trade Receivables which have significant increase in Credit Risk	28	15
Less: Impairment for trade receivable*	(28)	(15)
Trade Receivables-Credit Impaired	91	27
Less: Credit Impaired and Written off	(91)	(27)
<b>Current trade receivable</b>	<b>8,373</b>	<b>7,179</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 2020	As at 31st March 2019
<b>Cash and Cash Equivalents</b>		
(a) Cash on hand including Foreign Currency	10	10
(b) Balances with Banks		
Current Accounts	4	6
<b>Total</b>	<b>14</b>	<b>16</b>

### 15. Bank Balances

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
(a) Fixed Deposit Account held as margin money (with maturity less than 12 Months)	290	383
(b) Earmarked Balances with Bank	6	6
<b>Total</b>	<b>296</b>	<b>389</b>

## Notes annexed to and forming part of the Consolidated Financial Statements

### 16. Loans Receivables

(Rs. in Lakhs)

Particulars	As at	
	31st March 2020	31st March 2019
(a) Loans Receivables Considered good-Secured	-	-
(b) Loans Receivables Considered good-Unsecured	183	500
(c) Loans Receivables which have significant increase in Credit Risk	-	-
(d) Loans Receivables-credit impaired	-	-
<b>Total</b>	<b>183</b>	<b>500</b>

### 17. Other Financial Assets

(Rs. in Lakhs)

Particulars	As at	
	31st March 2020	31st March 2019
Interest Accrued on Fixed Deposit	2	4
<b>Total</b>	<b>2</b>	<b>4</b>

### 18. Other Current Assets

(Rs. in Lakhs)

Particulars	As at	
	31st March 2020	31st March 2019
(a) Balance with Government Authorities	229	67
(b) Others (Includes Prepaid Expenses and advances to Suppliers and Staff)	467	82
<b>Total</b>	<b>696</b>	<b>149</b>

### 19. Share Capital

a)

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	Amount (Rs. in Lakhs)	Number	Amount (Rs. in Lakhs)
<b>Authorised</b>				
Equity Shares of Rs. 10/- each	1,50,00,000	1,500	81,50,000	815
<b>Issued, Subscribed &amp; fully paid up</b>				
Equity Shares of Rs. 10/- each	1,01,54,200	1,015	43,51,800	435
	<b>1,01,54,200</b>	<b>1,015</b>	<b>43,51,800</b>	<b>435</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 31st March 2020		As at 31st March 2019	
	Number	Amount (Rs. in Lakhs)	Number	Amount (Rs. in Lakhs)
Shares outstanding at the beginning of the year	43,51,800	435	43,51,800	435
Bonus Share issued during the year	58,02,400	580		
Shares outstanding at the end of the year	<b>1,01,54,200</b>	<b>1,015</b>	<b>43,51,800</b>	<b>435</b>

(d) Rajratan Investments Limited together with Rajratan Resources Private Limited, Mr. Sunil Chordia and his family holds 64.22% (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 annexed to and forming part of the Consolidated Financial Statements

e) Shares held by the holding Company / Associate Company and shareholders holding more than 5% shares in the Company

Name of the Shareholder	As at 31st March 2020		As at 31st March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
Rajratan Investment Limited	18,53,122	18.25	7,82,881	17.99
Rajratan Resources Pvt Limited	8,89,980	8.76	3,81,420	8.76
Mrs. Sangita Chordia	23,332	0.23	5,80,433	13.34
Mr. Sunil Chordia	70,019	0.69	5,00,959	11.51
Mr. Yashovardhan Chordia	6,25,333	6.16	2,68,000	6.16
Sangita Chordia Family Trust	13,31,010	13.11	-	0.00
Sunil Chordia Family Trust	11,45,571	11.28	-	0.00
SBI Small and Midcap Fund	7,50,752	7.39	3,41,751	7.85

(f) Terms / Rights to Shareholders

(i) Equity Shares

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 for every 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 Company paid Interim Dividend for the year ended March 31, 2020 amounting to Rs. 245 Lakhs, including Corporate Dividend Distribution Tax of Rs.42 Lakhs. The total dividend paid for the year ended March 31, 2019 amounted to Rs.105 Lakhs, including Corporate Dividend Distribution Tax of Rs. 18 Lakhs (Previous Year Rs 65 Lakhs, excluding Corporate Dividend Distribution Tax Rs 13 Lakhs/-) during the year.

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.

20. Other Equity

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>(a) Securities Premium</b>		
Balance as per last financial statement	840	840
Add: Issued during the year	-	-
Less: Redeemed during the year	(580)	-
	<b>(a) 260</b>	<b>840</b>
<b>(b) Revaluation Surplus</b>		
Balance as per Last Financial statement	412	412
Add: Revaluation of Freehold Land	-	-
Less: Realised during the year	-	-
	<b>(b) 412</b>	<b>412</b>
<b>(c) General Reserve</b>		
Balance as per Last Financial statement	6,175	5,575
Add: Additions during the year	1,825	600
	<b>(c) 8,000</b>	<b>6,175</b>
<b>(d) Surplus/(Deficit) as per the Statement of Profit and Loss</b>		
Balance as per Last Financial statement	6,378	4,243
<b>Add:</b>		
Balance of Foreign Currency Translation Reserve as per last financial statement	-	-
Impact of Ind AS adjustments	-	-
Prior Period Adjustment	-	-
Profit for the Year	3,304	2,670
Other Comprehensive Income for the Year	(51)	(12)
Change in Foreign Currency Translation Reserve	205	155
Transferred to General reserve	(1,825)	(600)
Dividend (Including Dividend Distribution Tax)	(350)	(79)
	<b>(d) 7,661</b>	<b>6,378</b>
<b>Total (a+b+c+d)</b>	<b>16,333</b>	<b>13,805</b>

# Notes annexed to and forming part of the Consolidated Financial Statements

## Non-Current Liabilities

### 21. Financial Liabilities Borrowings

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Term Loan Secured</b>		
From Banks	5,357	3,945
Form Others	3	19
<b>Total</b>	<b>5,360</b>	<b>3,964</b>

#### 21.1 SECURITY:

- Term loans from State Bank of India, Indore is secured by way of first charge and equitable mortgage of immovable properties including freehold land situated at Khasara No. 145; 146;149/2;149/3 & 149/4 and leasehold land situated at Plot no. 199, 200A & 200 B, Sector-1 Pithampur and hypothecation of all the company's movable machinery, present and future.
- Term loan from HDFC Bank Ltd, Indore of Rs.2000 Lakhs is secured by way of first charge and Term loan of Rs.2500 Lakhs is secured by way of second pari-passu charge and equitable mortgage of immovable properties including freehold land situated at Khasara No. 145; 146;149/2;149/3 & 149/4 and leasehold land situated at Plot no. 199, 200A & 200 B, Sector-1 Pithampur and hypothecation of all the company's movable machinery, present and future.
- Both the lender have pari passu charge on the stock of raw materials, goods in process, finished and manufactured goods and book debts towards security for working capital facilities.
- Term loans are also secured by personal guarantee of the Managing Director.

#### 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.

#### 21.3 Terms of Repayment of Long Term Borrowings

##### I. Repayment schedule of Rajratan Global Wire Ltd.

Particulars	Total Tenor of Loan	Frequency of Installment	No. of Installments Due as on 31.3.2020	Amount (Rs. In Lakhs) Outstanding	Rate of Interest
State Bank of India	6 years	Quarterly	20	1657	9.40
HDFC Bank Ltd	7 years	Monthly	66	2335	8.55
HDFC Bank Ltd	7 years	Monthly	48	1140	8.55
HDFC Bank Ltd (BMW)	5 years	Monthly	39	45	8.60

##### II. Repayment schedule of Rajratan Thai Wire Co. Ltd., Thailand

Particulars	Total Tenor of Loan	Frequency of Installment	No. of Installments Due as on 31.3.2020	Amount (Rs. In Lakhs) Outstanding	Rate of Interest
UOB For Machines	5 years	Monthly	43	180	5.15
Toyota Leasing	3 years	Monthly	6	2	6.48
Toyota Leasing	4 years	Monthly	14	8	4.57
Tisco Bank Lease	3 years	Monthly	5	5	7.57
Honda Car Leasing	4 years	Monthly	21	5	3.58
Bay Term Loan	7 years	Monthly	81	858	5.1
Bank of Ayudhya	10 years	Monthly	89	67	5.85

## Notes annexed to and forming part of the Consolidated Financial Statements

### 22. Deferred Tax

#### 22.1 Deferred Tax Liabilities (Net)

The Movement on the deferred tax account is as follows

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
At the Start of the Year	865	909
Add: on account of IND AS Adjustments		-
Charge/(Credit) to Statement of Profit & Loss	268	(44)
<b>Total</b>	<b>1,133</b>	<b>865</b>

#### Component of Deferred Tax Liabilities/(Assets)

(Rs. in Lakhs)

Particulars	As at 31st March-2019	Charge/(credit) to Statement of Profit & Loss	As at 31st March-2020
Deferred Tax Liabilities/(Assets) in relation to :			
Property, Plant & Equipment	865	255	1,120
On Account of Expected Credit Loss	-	13	13
<b>Total</b>	<b>865</b>	<b>268</b>	<b>1,133</b>

### 23. Other Non Current Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Long term benefits for employees	7	5
<b>Total</b>	<b>7</b>	<b>5</b>

### Current Liabilities

#### 24. Borrowings

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Secured Considered Good</b>		
Loans repayable on demand		
(a) From Bank	7,949	8,667
<b>Unsecured Considered Good</b>		
(b) Loans and advances from related parties (Refer Note No. 40)	132	220
(c) Loans and advances from others	213	-
<b>Total</b>	<b>8,294</b>	<b>8,887</b>

#### Security

A. Loans repayable on demand from State Bank of India, Indore; HDFC Bank Ltd., Indore and Citi Bank, Mumbai; are working capital loans, which are secured by hypothecation of entire current assets of the Company ranking pari passu and by way of 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.

SBLC Facilities of CITI Bank is secured by 2nd Pari Passu charge over Fixed Assets of the Company with other Working Capital Lenders (Security creation is under process).

B. 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 guaranteed by directors of the Company.

C. Loans payable on demand to other loans and advances received from related parties are unsecured.

D. 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 Commitments (Rs. In Lakhs):-

S.No.	Name of Bank	Nature of Facility	Amount Sanctioned	Amount Undrawn
1	HDFC Bank Ltd	Term Loan	2000	860
2	Citi Bank NA	Working Capital	1000	1000

## Notes annexed to and forming part of the Consolidated Financial Statements

### 25. Trade Payables

(Rs. in Lakhs)

Particulars	As at	As at
	31st March 2020	31st March 2019
Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises,	4	76
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,028	3,541
<b>Total</b>	<b>4,032</b>	<b>3,617</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 31,2020 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	4	76
	Interest	0	0
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	0
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	0

### 26. Other Financial Liabilities

(Rs. in Lakhs)

Particulars	As at	As at
	31st March 2020	31st March 2019
Current Maturities of Long Term debts	926	880
Interest accrued and due on borrowings	13	13
Interest accrued but not due on borrowings	20	12
Unpaid Dividends	6	6
<b>Total</b>	<b>965</b>	<b>911</b>

### 27. Other Current Liabilities

(Rs. in Lakhs)

Particulars	As at	As at
	31st March 2020	31st March 2019
(i) Advance received from Customers	10	21
(ii) Creditors for Capital Goods (Includes Rs. 307 Lakhs (Previous Year Rs. 169 Lakhs) due to related party Refer Note No.40)	423	466
(iii) Statutory Liabilities	191	281
<b>Total</b>	<b>624</b>	<b>768</b>

## Notes annexed to and forming part of the Consolidated Financial Statements

### 28. Current Tax Liability

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Income Tax (Net of advance Tax Rs. 10 Lakhs, {Previous Year Rs.524 Lakhs})*	44	65
<b>Total</b>	<b>44</b>	<b>65</b>

\* Current year Tax Liability pertain to Rajratan Thai Wire Company Limited where as previous year figure related to Current Tax Liability of Rajratan Global Wire Ltd

The Income tax expenses for the year can be reconciled to the accounting profits as follows:

(Rs. in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Profit Before Tax	4,371	3,410
<b>Computed Tax Expenses at Different rates</b>	<b>1,024</b>	<b>704</b>
Tax effect of:		
IndAS Adjustments	4	4
Tax on Expenses disallowed	(225)	(85)
Tax on Deductions under chapter VIA	47	35
Tax on Expenses allowed	1	-
(Short)/Excess Provision of earlier years	(0)	(5)
<b>Interest on Shortfall of Advance Tax</b>	<b>-</b>	<b>10</b>
Current Tax Provision (A)	755	594
<b>Incremental Deferred Tax Liability on account of Tangible and Intangible Assets</b>	<b>312</b>	<b>145</b>
Deferred Tax Provision (B)	312	145
<b>Tax Expenses recognised in Statement of Profit and Loss (A+B)</b>	<b>1,067</b>	<b>739</b>

As per IND AS 12 "Income Taxes", the disclosures as defined are given below:

(a) Current Tax Expense (Income)	701
(b) Any adjustments recognised in the period for current tax of prior periods	(0)
<b>Net Tax Expense</b>	<b>701</b>

### 29. Revenue from Operations

(Rs. in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Sale of Manufactured Goods	47,447	47,606
Sale of Traded Goods	513	1,540
Sale of Raw Material	58	117
Other Operating Revenue	3	26
<b>Total</b>	<b>48,021</b>	<b>49,289</b>

### 30. Other Income

(Rs. in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Interest Income	59	82
<b>Other Non Operating Income</b>		
Profit on Sale of Fixed Assets	0	7
Gain on Exchange Fluctuation	58	81
<b>Total</b>	<b>117</b>	<b>170</b>

## Notes annexed to and forming part of the Consolidated Financial Statements

### 31. Cost of Materials Consumed

(Rs. in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Wire Rod	28,045	32,057
Ancillary Raw material	588	559
<b>Total</b>	<b>28,633</b>	<b>32,616</b>

### 32. Purchase of Stock in Trade

(Rs. in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Wire Rod/wires	-	1,099
Others	492	365
<b>Total</b>	<b>492</b>	<b>1,464</b>

### 33. Change in Inventories of Finished Goods and & Work-in-progress

(Rs. in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Opening Stock</b>		
Work-in-Progress	569	500
Scrap	1	0
Stock in Transit	235	119
Finished Goods	1,526	709
	<b>2,331</b>	<b>1,328</b>
<b>Closing Stock</b>		
Work-in-Progress	534	569
Scrap	1	1
Stock in Transit	148	235
Finished Goods	1,421	1,526
	<b>2,104</b>	<b>2,331</b>
<b>Increase/(Decrease) in inventories of Finished Goods &amp; Work In Progress(Total)</b>	<b>227</b>	<b>(1,003)</b>

### 34. Employee Benefits Expense

(Rs. in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Salary, Wages, Bonus & Allowances	2,405	2,179
Contribution to Provident Fund	113	90
Contribution to ESIC	21	26
Staff Welfare Expenses	130	87
Contribution to Gratuity Fund	24	19
Medical Expenses Reimbursement	12	10
<b>Total</b>	<b>2,705</b>	<b>2,411</b>

### 35. Finance Costs

(Rs. in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Interest	1,155	891
Other Borrowing Costs	184	190
<b>Total</b>	<b>1,339</b>	<b>1,081</b>

## Notes annexed to and forming part of the Consolidated Financial Statements

### 36. Other Expenses

(Rs. in Lakhs)

Particulars	Year ended	
	31st March 2020	31st March 2019
Power & Fuel	4,039	3,885
Less: Recovery of energy generated by Windmill	(113)	(127)
	<b>3,926</b>	<b>3,758</b>
Consumable Stores	1,218	1,151
Packing Material	353	367
Freight Inward	301	283
Freight Outwards	1,283	1,198
Rent	6	6
Repair to Building	26	32
Repair to Machinery	547	423
Insurance	17	16
Rates & Taxes, excluding taxes on income	6	4
Expected Credit Loss	13	3
Export Expenses	512	597
ETP Expenses	45	37
Legal & Professional charges	87	57
CSR Expenditure	47	30
Miscellaneous Expenses (Below 1% of revenue from Operations)	775	598
<b>Total</b>	<b>9,162</b>	<b>8,560</b>

### 37. Other Comprehensive Income

(Rs. in Lakhs)

Particulars	Year ended	
	31st March 2020	31st March 2019
<b>(A) Items that will not be reclassified into profit or loss</b>		-
(i) Change in Revaluation surplus	-	-
(ii) Remeasurement of defined benefit plans	(52)	(12)
<b>Total (A)</b>	<b>(52)</b>	<b>(12)</b>
<b>(B) Items that will be reclassified to profit or loss</b>	-	-
(ii) Exchange differences in translating the financial statements of foreign operation	204	154
<b>Total (B)</b>	<b>204</b>	<b>154</b>

### 38. 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	2019-20	2018-19
Employer's Contribution to Provident Fund For Holding Company Rajratan Global Wire Ltd	81	62
Society Security Welfare for Subsidiary Rajratan Thai Wire Co Ltd.	32	28

#### Defined Benefit Plan

##### l) Reconciliation of opening and closing balances of Defined Benefit Obligation

(Rs. in Lakhs)

Particulars	Gratuity (Funded)	
	2019-20	2018-19
Defined Benefit Obligation at beginning of the year	304	256
Current Service Cost	20	18
Interest Cost	23	20
Past Servicer Cost (Vested benefits)	-	-
Benefits paid	(10)	(1)
Actuarial (Gain)/Loss	45	11
Defined Benefit Obligation at year end	<b>382</b>	<b>304</b>

## Notes annexed to and forming part of the Consolidated Financial Statements

Reconciliation of Opening and Closing balances of fair value of Plan Assets		(Rs. in Lakhs)	
Particulars	Gratuity (Funded)		
	2019-20	2018-19	
Fair value of Plan Assets at beginning of year	311	269	
Adjustment to Opening Fair Value of Plan Asset	-	3	
Expected Return on Plan Assets	18	21	
Actuarial Gain/(Loss)	-	-	
Employer Contribution	22	19	
Benefits Paid	(10)	(1)	
Fair value of Plan Assets at year end	340	311	
Actual return on Plan Assets			

Reconciliation of fair Value of Assets and Obligations		(Rs. in Lakhs)	
Particulars	Gratuity (Funded)		
	As at 31st March 2020	As at 31st March 2019	
Fair value of Plan Assets	340	311	
Present Value of Obligation	382	304	
Amount recognised in Balance Sheet (Surplus/(Deficit))	(42)	7	

Expenses recognised during the year		(Rs. in Lakhs)	
Particulars	Gratuity (Funded)		
	2019-20	2018-19	
<b>In Income Statement</b>			
Current Service Cost	20	18	
Interest Cost	23	20	
Past Service Cost	-	-	
Return on Plan Assets	24	22	
Net Cost	67	59	
<b>In Other Comprehensive Income</b>			
Actuarial (Gain)/Loss	52	12	
Return on Plan Assets			
Net (Income)/Expenses for the period recognised in OCI	52	12	
<b>Investment Details</b>			
Gratuity Fund (LIC of India)	340	311	
GOI Securities			
Public Securities			
State Government Securities			
Insurance Policies			
Others (Including bank balances)			
<b>Total</b>	<b>340</b>	<b>311</b>	

Actuarial Assumptions		Gratuity (Funded)	
	2019-20	2018-19	
	<b>Mortality Table (ALM)</b>		
Discount Rate (Per Annum)	6.77%	7.66%	
Rate of Escalation in Salary (Per annum)	7%	7%	

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



## Notes annexed to and forming part of the Consolidated Financial Statements

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:

Particulars	(Rs. in Lakhs)			
	As at 31st March 2020		As at 31st March 2019	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Change in discounting rate	342	428	272	340
Change in rate of salary Escalation	427	343	340	273

### 39. EARNING PER SHARES (EPS)

Particulars	2019-20	2018-19
<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 (Rs. in Lakhs)	3,304	2,671
ii) Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	1,01,54,200	1,01,54,200
iii) Weighted Average Potential Equity Shares		-
iv) Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	1,01,54,200	1,01,54,200
v) Basic Earnings Per Share (Rs.)	32.54	26.30
vi) Diluted Earning Per Share (Rs.)	32.54	26.30
vii) Face Value per Equity Share (Rs.)	10.00	10.00

The Company has issued 58,02,400 fully paid bonus shares in the ratio of 4:3 (i.e. four bonus shares of INR 10/- each for three equity shares of INR 10/- each to every shareholder holding on 14.09.2019). The basic and diluted earnings per share for the corresponding previous year ended on 31.03.2019 is adjusted retrospectively in view of the provisions of para 64 of Ind AS 33- Earnings Per Share. Had such retrospective adjustment not been done, the weighted average number of shares for 2018-2019 would have been 4,351,800 and the Basic and Diluted Earning Per Share would be Rs. 61.38.

### 40. 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 Up to 22.07.2019 & Relative of 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	Relative of KMP
8	Smt. Mohini Chordia	Relative of KMP
9	Shri Purshottam Das Nagar	Non Independent Director Upto 31.03.2019
10	Shri Abhishek Dalmia	Non Independent Director
11	Shri Chandrashekhar Bobra	Independent Director (Up to 22.07.2019)
12	Shri Surendra Singh Maru	Independent Director (Up to 22.07.2019)
13	Shri Shiv Singh Mehta	Independent Director
14	Shri Rajesh Mittal	Independent Director (W.e.f. 22.07.2019)
15	Smt. Aparna Sharma	Independent Director (W.e.f. 22.07.2019)
16	Smt. Shantadevi Chordia	Relative of KMP
17	Ms Shubhika Chordia	Relative of KMP
18	Shri P. K. Reddy	Relative of KMP
19	M/s Rajratan Resources Pvt Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence
20	M/s Rajratan Investment Ltd.	Holding Company
21	M/s P.D. Nagar & Co.	Enterprises over which non independent Director are able to exercise significant influence
22	M/s Semac Construction LLP	Enterprises over which non independent Director are able to exercise significant influence

## Notes annexed to and forming part of the Consolidated Financial Statements

### (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	- (-)	2 (2)	- (-)	- (-)	- (-)	- (-)	2 (2)
2	Interest Paid	11 (24)	2 (3)	1.44 (0.40)	- (-)	- (15)	6 (3)	21 (45)
3	Remuneration	206 (246)	46 (19)	- (-)	- (-)	- (-)	- (-)	252 (265)
4	Unsecured Loan received	280 (117)	33 (58)	25 (6)	- (-)	- (35)	46 (41)	384 (257)
5	Unsecured Loan Repaid	464 (234)	29 (86)	4 (-)	- (-)	- (45)	59 (-)	556 (365)
6	Sitting Fees	- (-)	- (-)	- (-)	- (-)	4 (4)	- (-)	4 (4)
7	Purchase of Tangible Assets	- (-)	- (-)	- (-)	1,322 (2,126)	- (-)	- (-)	1,322 (2,126)
8	Purchase of Other Goods	- (-)	- (-)	- (-)	1 (-)	- (-)	- (-)	1 (-)
9	Consultancy Charges	36 (-)	- (-)	- (-)	- (9)	- (-)	- (-)	36 (9)

### (iii) Balances as at 31st March 2020

1	Unsecured Loan	55 (220)	13 (7)	28 (6)	- (-)	- (117)	35. (43)	131 (393)
2	Creditors for Capital Goods	- (-)	- (-)	- (-)	307 (169)	- (-)	- (-)	307 (169)
3	Deposit for Rented Property	- (-)	5 (5)	- (-)	- (-)	- (-)	- (-)	5 (5)
4	Trade Payables	- (-)	- (-)	- (-)	- (-)	- (8)	- (-)	- (8)

### (iv) Disclosure in Respect of Major Related Party Transactions during the year:

(Rs. in Lakhs)

Particulars	Relationship	2019-20	2018-19
<b>1 Rent</b>			
(i) Smt. Sangita Chordia	Relatives of KMP	1.08	1.08
(ii) Smt. Shantadevi Chordia	Relatives of KMP	1.08	1.08
<b>2 Interest Paid</b>		-	-
(i) Shri Sunil Chordia	KMP	5.45	14.97
(ii) Smt. Sangita Chordia	Relatives of KMP	2.15	2.49
(iii) Shri Yashovardhan Chordia	KMP	3.70	4.85
(iv) Smt. Mohini Chordia	Relatives of KMP	1.97	4.46
(v) Shri Purshottam Das Nagar	Non Independent Director	-	15.04
(vi) Rajratan Resources Pvt Ltd	Enterprises Which KMP are able to exercise significant influence	1.44	0.40
(vii) Rajratan Investment Pvt Ltd	Holding Company	6.43	3.06

## Notes annexed to and forming part of the Consolidated Financial Statements

(Rs. in Lakhs)

	Particulars	Relationship	2019-20	2018-19
3	Remuneration		-	-
	(i) Shri Sunil Chordia	KMP	100.96	78.80
	(ii) Smt Sangita Chordia	KMP	6.30	16.88
	(iii) Shri Yashovardhan Chordia	KMP	53.34	50.27
	(iv) Shri B. K. Reddy	KMP	-	44.05
	(v) Shri Rajesh Sharda	KMP	-	14.49
	(vi) Shri Hitesh Jain	KMP	12.04	10.63
	(vii) Smt. Mohini chordia	KMP	27.08	25.52
	(viii) Shri Shubham Jain	KMP	6.34	5.55
	(ix) Smt Sangita Chordia	Relatives of KMP	13.95	-
	(ix) Ms Shubhika Chordia	Relatives of KMP	5.81	4.27
	(x) Shri P.K. Reddy	Relatives of KMP	25.85	14.34
4	Unsecured Loan Received		-	-
	(i) Shri Sunil Chordia	KMP	227.79	36.67
	(ii) Smt. Sangita Chordia	Relatives of KMP	33.10	58.06
	(iii) Shri Yashovardhan Chordia	KMP	31.36	56.45
	(iv) Smt. Mohini Chordia	KMP	20.65	23.79
	(v) Shri Purshottam Das Nagar	Non Independent Director	-	35.00
	(vi) Rajratan Resources Pvt Ltd	Enterprises Which KMP are able to exercise significant influence	25.00	5.70
	(vii) Rajratan Investment Pvt Ltd	Holding Company	45.65	40.50
5	Unsecured Loan Repaid		-	-
	(i) Shri Sunil Chordia	KMP	266.50	234.00
	(ii) Smt. Sangita Chordia	Relatives of KMP	29.15	86.00
	(iii) Shri Yashovardhan Chordia	KMP	129.27	-
	(iv) Smt. Mohini Chordia	KMP	67.75	-
	(v) Rajratan Resources Pvt Ltd	Enterprises Which KMP are able to exercise significant influence	4.00	-
	(vi) Rajratan Investment Pvt Ltd	Holding Company	59.50	-
	(vii) Shri Purshottam Das Nagar	Non Independent Director	-	45.00
6	Purchase of Tangible Assets		-	-
	M/s Semac Construction LLP	Enterprises over which non independent Director are able to exercise significant influence	1,321.72	2,126.21
7	Purchase of Other Goods		-	-
	M/s Semac Construction LLP	Enterprises over which non independent Director are able to exercise significant influence	0.95	-
8	Consultancy Charges		-	-
	Shri B. K. Reddy	KMP	35.93	-
	M/s P. D. Nagar & Co.	Enterprises over which non independent Director are able to exercise significant influence	-	9.00
9	Sitting Fees		-	-
	(i) Shri Purshottam Das Nagar	Non Independent Director	-	1.00
	(ii) Shri Chandrashekhar Bobra	Independent Director	0.50	0.80
	(iii) Shri Abhishek Dalmia	Non Independent Director	0.55	0.40
	(iv) Shri Surendra Singh Maru	Independent Director	0.20	0.90
	(v) Shri Shiv Singh Mehta	Independent Director	1.25	0.40
	(vi) Shri Rajesh Mittal	Independent Director	0.60	-
	(vii) Smt. Aparna Sharma	Independent Director	0.90	-

## Notes annexed to and forming part of the Consolidated Financial Statements

### (v) Balances as at 31st March, 2020

			(Rs. in Lakhs)	
	Particulars	Relationship	31/03/20	31/03/19
<b>1</b>	<b>Unsecured Loan</b>			
	(i) Shri Sunil Chordia	KMP	12.22	46.03
	(ii) Smt Sangita Chordia	Relatives of KMP	13.15	7.27
	(iii) Shri Yashovardhan Chordia	KMP	26.86	115.46
	(iv) Smt Mohini Chordia	KMP	16.13	58.46
	(v) Shri Purshottam Das Nagar	Non Independent Director	-	116.89
	(vi) M/s Rajratan Resources Pvt Ltd	Enterprises Which KMP are able to exercise significant influence	28.35	6.06
	(vi) M/s Rajratan Investment Ltd	Holding Co.	35.19	43.26
<b>2</b>	<b>Creditors for Capital Goods</b>			
	(i) M/s Semac Construction Technologies India LLP	Enterprises Non Which Independent Director are able to exercise significant influence	307.24	168.70
<b>3</b>	<b>Trade Payables</b>			
	M/s P. D. Nagar & Co.	Enterprises over which non independent Director are able to exercise significant influence	-	8.10

### (vi) 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		2019-20	2018-19
	Short-term benefits		252	265
	<b>Total</b>		<b>252</b>	<b>265</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.

## 41. CONTINGENT LIABILITIES AND COMMITMENTS

			(Rs. in Lakhs)	
	Particulars		2019-20	2018-19
<b>I)</b>	<b>Contingent Liabilities</b>			
<b>A)</b>	<b>Claims against the Company/disputed liabilities not acknowledged as debts</b>		NIL	NIL
<b>B)</b>	<b>Guarantees</b>			
	(i) Guarantees issued by Banks extended to third parties and other Guarantees (Rs. In Lakhs)		214	NIL
	(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\$ 2.1 Mn	US\$ 1.4 Mn
	(iii) Letter of Guarantees issued by local banks to Thailand		TBH 79.81 Mn	TBH 59.53 Mn
<b>C)</b>	<b>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) 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.			
	<b>Particulars</b>	<b>Financial year</b>	<b>Rs. In Lakhs</b>	<b>Forum Where dispute is pending</b>
	VAT	2014-15	4	ACCT(A), Indore
	Excise	Apr'2016 to June 17	3	CESTAT New Delhi

(iii) Madhya Pradesh Paschim Khestra Vidhyut Vitran Company Ltd. (MPPKVCL) has raised a supplementary bill to the Company for Rs. 202 Lakhs 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. Initially Stay was granted

## Notes annexed to and forming part of the Consolidated Financial Statements

by Hon'ble M.P. High Court against the subsequent demand. However the Stay was vacated and Hon'ble M.P. High Court directed to approach Electricity Consumer Grievances Redressal Forum. Against this order the Company has filed writ petition before Division Bench of High Court. The Company has entered into Solar Power Purchase Agreement with the suppliers of the Solar panel equipments which has resulted in the present demand. Thus any demand which crystallizes will be indemnified by the suppliers. The Company has already withhold a sum of Rs. 202 Lakhs payable to such suppliers, which is classified as Current Liability. Therefore, no further provisions/outflow of resources is envisaged.

### (II) Commitments

Particulars	2019-20	2018-19
(A) Estimated amount of contracts remaining to be executed on capital account and not provided for: (Rs. In Lakhs)	489	2,326

### 42. PROMOTIONAL PRIVILEGES

I) 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 July 25,2017. 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. 1<sup>st</sup> June 2008 for Part Production Process and started Commercial Production w.e.f. 1<sup>st</sup> 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) i2550 dated January 26,2007. The BOI privilege period for tax-free income from promoted operations ended on 31<sup>st</sup> July 2015.

## Notes annexed to and forming part of the Consolidated Financial Statements

### 43. 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.

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Non-Current Liabilities (Other than DTL)	5,360	3,964
Current maturities of Long Term debts	926	880
Gross Debt	6,286	4,844
Cash and Cash Equivalents	14	16
Net Debt (A)	6,272	4,827
Total Equity (As per Balance Sheet) (B)	17,348	14,240
Gearing Ratio (A/B)	0.36	0.34

### 44. 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	As at 31st March 2020	As at 31st March 2019
<b>Financial Assets</b>		
<b>At Amortised Cost</b>		
Trade Receivables	8,373	7,178
Cash and Bank Balances	309	405
Loans	305	652
Other Financial Assets	2	4
<b>At FVTPL</b>		
Investments	-	0
<b>At FVTOCI</b>		
Investments		
<b>Financial Liabilities</b>		
<b>At Amortised Cost</b>		
Borrowings	7,949	8,667
Trade Payables	4,032	3,617
Other Financial Liabilities	1,310	1,130

## Notes annexed to and forming part of the Consolidated Financial Statements

### Foreign Currency Risk:

The following table shows foreign currency exposures in USD and EUR 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 2020		As at 31st March 2019	
	USD	EUR	USD	EUR
Loans Receivable	-	-	-	-
FCNR (B) DL	-	-	-	-
Working Capital Demand Loan (in Foreign Currency)	-	-	-	-
Trade and Other Payables	12	-	5	-
Trade and Other receivables	(8)	-	(12)	(2)
Buyers Credit	-	-	6	-
Derivatives	-	-	-	-
- Forwards & Futures	-	-	-	-
<b>Net Exposure</b>	<b>4</b>	<b>-</b>	<b>(1)</b>	<b>(2)</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 2020		As at 31st March 2019	
	USD	EUR	USD	EUR
1% Depreciation in INR				
Impact on P & L	3	-	(1)	(1)
<b>Total</b>	<b>3</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>
1% Appreciation in INR				
Impact on P & L	(3)	-	1	1
<b>Total</b>	<b>(3)</b>	<b>-</b>	<b>1</b>	<b>1</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 2020	As at 31st March 2019
Loans		
Long Term Floating Loan	5,357	3,945
Short Term Unsecured Loan	345	220
Short Term Loan	8,875	9,547
<b>Total</b>	<b>14,577</b>	<b>13,712</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 2020		As at 31st March 2019	
	Up Move	Down Move	Up Move	Down Move
Impact on Equity				
Impact on P & L	142	142	135	135
<b>Total Impact</b>	<b>142</b>	<b>142</b>	<b>135</b>	<b>135</b>

## Notes annexed to and forming part of the Consolidated Financial Statements

### 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. There were no outstanding forward covers at the end of the financial year.

45. In accordance with Ind AS 108-'Operating Segments',The Group has identified 'Tyre Bead Wire' as the only reportable segment.

Revenue from External Customers	(Rs. in Lakhs)	
	2019-2020	2018-2019
With in India	30,920	34,165
Outside India	17,101	15,124
<b>Total</b>	<b>48,021</b>	<b>49,289</b>

### Details of Revenue from Singal Customer more than 10%

Revenues from 3 customers of bead wire segment amounting to Rs. 8,870 Lakhs (Previous Year Rs. 6,921 Lakhs), Rs. 7,040 Lakhs (Previous Year 5,268 Lakhs) and Rs.5,185 Lakhs (Previous Year Rs. 4,893 Lakhs) each exceeding 10% of the total revenue of the company for FY 2019-20.

Non Current Assets	(Rs. in Lakhs)	
	2019-2020	2018-2019
(Other than financial instruments; Post Employment benefits; Deffered Tax Assets; and right arising under insurance contracts)		
<b>With in India</b>		
Property, Plant & Equipments	11,599	7,816
Capital Work in Progress	983	1,916
Security Deposits	122	111
Capital Advance	69	315
	-	-
<b>Outside India</b>		
Property, Plant & Equipments	22,860	16,811
Capital Work in Progress	8	3,202
Security Deposits	123	153
Capital Advance	91	-
<b>Total</b>	<b>12,773</b>	<b>10,159</b>



## Notes annexed to and forming part of the Consolidated Financial Statements

### 46. 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. 19-20
Paid Up Share Capital	5,983
Reserves and Surplus	427
Total Assets	15,575
Total Liabilities	15,575
Investments	-
Turnover	19,441
Profit Before Taxation	1,092
Provision for Tax (Current Tax)	54
Deferred Tax	44
Profit After Taxation	994
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.2.303993

Income and expenses at the average rate which was 1 Thai Baht= Rs.2.294771 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	70	14,782	70	2,310	(34)	(52)	65	2,258
<b>Subsidiary</b>								
<b>Foreign</b>								
Rajratan Thai Wire Company Ltd. Thailand	30	6,410	30	994	134	204	35	1,198
Non controlling interest in all subsidiaries Associates (Investment as per equity method)	Nil		Nil		Nil		Nil	
<b>Total</b>		21,192		3,304		153		3,457

## Notes annexed to and forming part of the Consolidated Financial Statements

### 47. DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186(4) OF THE COMPANIES ACT, 2013.

Sr. No.	Particulars	Name of Entity	Relations	Purpose	Amount
1	Loan Given*	Inter Corporate Deposit	-	Business Purpose	Rs. 415 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 \$ 2.10 Mn
3	Investments Made	Rajratan Thai wire Co. Ltd.	Wholly Owned Subsidiary	Investments	Rs. 3,838 Lakhs

#Out of the unsecured inter corporate loan of Rs. 415 Lakhs given during the year to various parties. The outstanding balance as on 31st March, 2020 is Rs. 183 Lakhs.

48. The research and development expenditure for the year ended March 2020 amounts to Rs. 97 Lakhs

### 49 Estimation of uncertainties relating to the global health pandemic COVID-19

(I) The Company has undertaken major expansion in production capacity in the financial year 2018-19. The Company has also obtained financial assistance from banks in this regard. The Company foresees a contraction in demand due to a prolonged lock-down resulting in its inability to deploy resources due to restrictions in mobility. The impact on revenue streams could come from the inability of customers to procure material due to financial constraints or their products no longer being availed of by customers. The Company has assessed that with most of its customers being primarily into manufacturing tyres for two wheelers, passenger cars and other transport vehicles and being vulnerable to a disruption in supply chain and demand erosion (their customers needing to re-prioritise their discretionary spends) there was need to be a priority to conserve resources. The Company has considered such impact to the extent known and available. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

(II) The leases that the Company entered with lessors towards properties used as industrial land are long-term in nature and no significant changes in the terms of those leases are expected due to the COVID-19. Other leases for office premises are for the short-term and not involving any material amounts.

### 50 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 22nd May, 2020.

For D S MULCHANDANI & CO  
CHARTERED ACCOUNTANTS  
FRN: 021781C

(CA. DEEPAK S MULCHANDANI)  
PROPRIETOR  
M. NO. 404709

INDORE  
Dated: 22nd May 2020

FOR AND ON BEHALF OF BOARD

(SHIV SINGH MEHTA)  
DIRECTOR  
DIN:00023523

(SHUBHAM JAIN)  
COMPANY SECRETARY

(SUNIL CHORDIA)  
CHAIRMAN & MANAGING DIRECTOR  
DIN:00144786

(HITESH JAIN)  
CHIEF FINANCIAL OFFICER

# Corporate Information

---

## Rajratan India

---

### Board of Directors

Mr. S.S. Mehta	Director
Mr. Abhishek Dalmia	Director
Mr. Rajesh Mittal	Director
Mrs. Aparna Sharma	Director
Mr. Yashovardhan Chordia	Director
Mr. Sunil Chordia	Chairman & Managing 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. B.K. Reddy	Director
Mr. Yashovardhan Chordia	Executive Director
Mrs. Mohini Chordia	Executive Director

### Auditors

B1, Auditing Group Co. Ltd. Thailand



**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)