

RAJRATAN THAI WIRE CO., LTD.
Report and financial statements
31 March 2017



"We deliver the professional services"

Independent Auditor's Report

To the Shareholders of RAJRATAN THAI WIRE CO., LTD.

Opinion

We have audited the financial statements of RAJRATAN THAI WIRE CO., LTD. ("the company"), which comprise the statement of financial position as at 31 March 2017, and the statement of income, and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of RAJRATAN THAI WIRE CO., LTD. as at 31 March 2017, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. *Q*

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. *Qu*

- 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 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 financial statements, including the disclosures, and whether the 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.



Phichat Phruksarojanakun
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Certified Public Accountant (Thailand) No. 8342

B1 Auditing Group Co., Ltd.

Ratchaburi: 9 May 2017

RAJRATAN THAI WIRE CO., LTD.
STATEMENTS OF FINANCIAL POSITION

31 MARCH 2017 AND 2016

(In Baht)

	<u>Notes</u>	2017	2016
ASSETS			
Cash and cash equivalents	5	243,084.18	92,094.75
Accounts receivable		86,809,893.41	58,794,632.77
Inventories	6	80,179,093.78	66,043,197.58
Receivable from related party	12	5,464,658.34	-
Other current assets	7	9,830,214.24	7,082,663.40
TOTAL CURRENT ASSETS		182,526,943.95	132,012,588.50
Property, plant, and equipment - net	8	349,504,245.45	324,922,224.80
Deposits	9	126,500.00	3,848,040.55
TOTAL NON-CURRENT ASSETS		349,630,745.45	328,770,265.35
TOTAL ASSETS		532,157,689.40	460,782,853.85

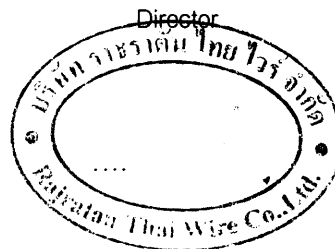
The accompanying notes are an integral part of these financial statements

The statements of financial position are approved by Annual General Meeting of Shareholders No.as of.....

Approved

Yashovardhan Chordia

(Mr. Yashovardhan Chordia)



RAJRATAN THAI WIRE CO., LTD.

STATEMENTS OF FINANCIAL POSITION (Continued)

31 MARCH 2017 AND 2016

		(In Baht)	
	<u>Notes</u>	2017	2016
LIABILITIES AND SHAREHOLDERS' EQUITY			
Bank overdraft and short-term loans	10	190,666,438.42	190,552,195.70
Accounts payable - Parent company	12	4,805,236.87	4,362,549.53
Trade and other payable	14	135,903,794.61	97,939,013.75
Current portion of hire purchase payable	11	547,278.75	4,818,575.47
Current portion of long-term housing loan	13	-	592,800.00
Current portion of long-term loan	13	-	36,500,000.00
TOTAL CURRENT LIABILITIES		<u>331,922,748.65</u>	<u>334,765,134.45</u>
Hire purchase payable - net	11	650,148.23	658,669.10
Loan from parent company	12	53,683,667.67	50,310,198.69
Loan from related parties	12	1,200,000.00	-
Long-term loans - net	13	-	273,100.00
TOTAL NON-CURRENT LIABILITIES		<u>55,533,815.90</u>	<u>51,241,967.79</u>
TOTAL LIABILITIES		<u>387,456,564.55</u>	<u>386,007,102.24</u>
Shareholders' Equity			
Authorized share capital			
25,967,000 common shares of 10 baht each		259,670,000.00	259,670,000.00
Issued and fully paid-up capital			
25,967,000 common shares of 10 baht each		259,670,000.00	259,670,000.00
Retained Earning			
Unappropriated		(114,968,875.15)	(184,894,248.39)
Total Shareholders' Equity		<u>144,701,124.85</u>	<u>74,775,751.61</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>532,157,689.40</u>	<u>460,782,853.85</u>

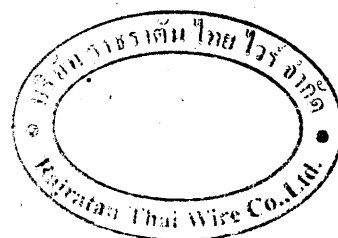
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Approved

Yashovardhan Chordia

(Mr. Yashovardhan Chordia)



RAJRATAN THAI WIRE CO., LTD.

STATEMENT OF INCOME

FOR THE YEAR ENDED 31 MARCH 2017 AND 2016

(In Baht)

	<u>Notes</u>	2017	2016
REVENUES	4		
Net sales		581,942,126.44	512,238,715.59
Gain on exchange rate		4,123,047.95	-
Other income		207,416.70	10,351.86
Total Revenues		586,272,591.09	512,249,067.45
EXPENSES	4		
Cost of sales		448,008,575.73	394,599,277.01
Selling expenses		23,707,882.56	24,254,201.06
Administrative expenses		20,739,759.36	17,494,299.19
Loss on exchange rate		-	10,627,741.00
Total Expenses		492,456,217.65	446,975,518.26
PROFIT BEFORE FINANCE COSTS		93,816,373.44	65,273,549.19
Finance costs		(23,891,000.20)	(26,353,571.46)
NET PROFIT		69,925,373.24	38,919,977.73

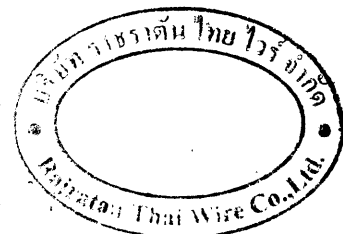
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Approved

Yashovardhan

(Mr. Yashovardhan Chordia)

Director



RAJRATAN THAI WIRE CO., LTD.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 MARCH 2017 AND 2016

(In Baht)

	Share capital	Unappropriated	Total
Balance as at March 31, 2015	234,400,000.00	(223,814,226.12)	10,585,773.88
Net loss	-	38,919,977.73	38,919,977.73
Balance as at March 31, 2016	234,400,000.00	(184,894,248.39)	49,505,751.61
Balance as at March 31, 2016	259,670,000.00	(184,894,248.39)	74,775,751.61
Net profit	-	69,925,373.24	69,925,373.24
Balance as at March 31, 2017	259,670,000.00	(114,968,875.15)	144,701,124.85

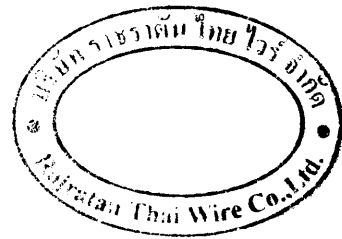
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Approved

Yashovardhan

(Mr. Yashovardhan Chordia)

Director



RAJRATAN THAI WIRE CO., LTD.
STATEMENTS OF CASH FLOW
FOR THE YEAR ENDED 31 MARCH 2017 AND 2016

	(In Baht)	
	2017	2016
Cash flows from operating activities:		
Net Profit (Loss)	69,925,373.24	38,919,977.73
Adjustment to reconcile net income to net cash provided by (paid from) operating activities:		
Depreciation	19,827,340.00	18,998,209.81
(Profit)/Loss on sale of fixed assets	-	13,843.24
Income from operating activities before changes in operating assets and liabilities	89,752,713.24	57,932,030.78
(Increase) decrease in operating assets:		
Trade accounts receivable	(28,015,260.64)	17,281,188.41
Inventories	(14,135,896.20)	8,684,766.16
Other current assets	(8,212,209.18)	1,561,730.82
Deposits	3,721,540.55	5,537,133.00
Increase (decrease) in operating liabilities:		
Trade accounts payable - Other company	36,993,050.04	78,705,202.76
Trade accounts payable - Related company	442,687.34	(103,349,695.26)
Accrued expenses and other liabilities	971,730.82	2,736,530.69
Net cash from operating activities	81,518,355.97	69,088,887.36

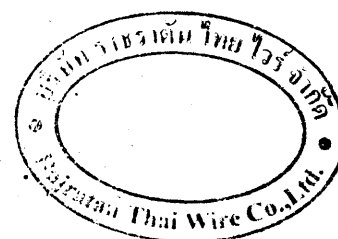
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Approved

Yashovardhan Chordia

(Mr. Yashovardhan Chordia)

Director

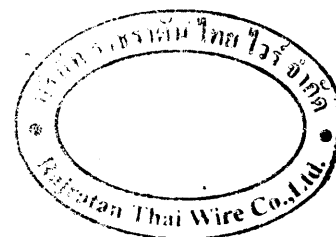


RAJRATAN THAI WIRE CO., LTD.
STATEMENTS OF CASH FLOW (Continued)
FOR THE YEAR ENDED 31 MARCH 2017 AND 2016

	(In Baht)	
	2017	2016
Cash flows from investing activities:		
Cash payments for purchase of property, plant and equipment	(44,446,788.29)	(24,612,999.52)
Disposal of Fixed assets	37,427.64	195,140.42
Net cash used in investing activities	(44,409,360.65)	(24,417,859.10)
Cash flows from financing activities:		
Bank overdraft and short-term loans	114,242.72	1,088,551.54
Loan from Parent Company	4,573,468.98	6,062,716.89
Hire purchase payable	(4,279,817.59)	(11,257,174.10)
Long-term loans	(37,365,900.00)	(40,592,800.00)
Net cash used in financing activities	(36,958,005.89)	(44,698,705.67)
Net decrease in cash and cash equivalents	150,989.43	(27,677.41)
Cash and cash equivalents at beginning of period	92,094.75	119,772.16
Cash and cash equivalents at end of period	243,084.18	92,094.75
 Supplemental cash flows information:		
Cash paid during the period for		
Interest expenses	15,436,212.24	16,206,261.47

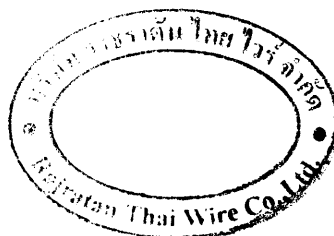
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Approved
Yashovardhan
.....
(Mr. Yashovardhan Chordia)
Director



RAJRATAN THAI WIRE CO., LTD.
 DETAILS OF COST OF GOODS SOLD
 FOR THE YEAR ENDED 31 MARCH 2017 AND 2016

	(In Baht)	
	2017	2016
Beginning Balance:-		
Finished Goods	12,098,335.74	17,297,059.32
Packing Materials	875,568.15	922,243.39
Process Chemical	376,695.90	306,663.32
Raw Materials	26,792,900.77	28,267,391.05
Ancillary RM	185,825.00	533,712.50
Consumables stock	12,365,993.49	11,526,389.34
Scrap Stock	59,400.00	24,835.00
Work in progress	13,288,478.53	15,849,669.82
	66,043,197.58	74,727,963.74
Add: Purchased during the period:-		
Direct cost:-		
Direct labor	27,661,304.91	23,775,112.40
Raw Material	328,402,756.76	264,646,644.45
Ancillary Raw Material	9,054,915.06	7,494,228.55
Process Chemical	5,840,778.01	4,798,523.02
Packing Material	6,786,188.12	6,594,985.49
Consumables Expenses	15,611,075.64	12,611,683.17
	393,357,018.50	319,921,177.08
Add: Factory overhead cost:-		
Electricity Expenses	34,166,262.83	32,947,135.18
Water Expenses	715,332.00	639,324.00
Waste Water Expenses.	1,528,725.42	1,083,239.40
Gas Consumption Expenses.	12,447,166.79	12,282,404.04
Depreciation expenses	19,078,876.57	18,179,627.62
Rent Expense - Fork Lift	10,000.00	-
Import expenses - other	841,089.82	861,603.53
	68,787,453.43	65,993,333.77
Total Cost of goods manufacturing	528,187,669.51	460,642,474.59
Less: Ending Balance:-		
Finished Goods	19,276,156.83	12,098,335.74
Goods in transit	7,243,568.89	-
Packing Materials	813,155.59	875,568.15
Process Chemical	454,663.45	376,695.90
Raw Materials	27,858,444.64	26,792,900.77
Ancillary RM	291,473.00	185,825.00
Consumables stock	7,776,377.53	12,365,993.49
Scrap Stock	15,996.00	59,400.00
Work in process Stock	16,449,257.85	13,288,478.53
	80,179,093.78	66,043,197.58
Total Cost of Goods Sold	448,008,575.73	394,599,277.01



Approved

 (Mr. Yashovardhan Chordia)
 Director

RAJRATAN THAI WIRE CO., LTD.

DETAILS OF SELLING EXPENSES

FOR THE YEAR ENDED 31 MARCH 2017 AND 2016

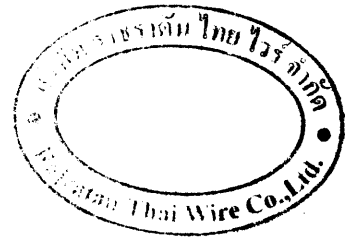
	(In Baht)	
	2017	2016
Freight outward	3,408,671.00	3,256,620.00
Export expenses	11,587,950.68	8,228,737.37
Logistic-export	7,701,650.76	12,041,297.52
Commission on sales	1,000,230.44	707,649.86
Sale expenses	9,379.68	19,896.31
Total selling expenses	23,707,882.56	24,254,201.06

Approved

Yashovardhan

(Mr. Yashovardhan Chordia)

Director



RAJRATAN THAI WIRE CO., LTD.

DETAILS OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 MARCH 2017 AND 2016

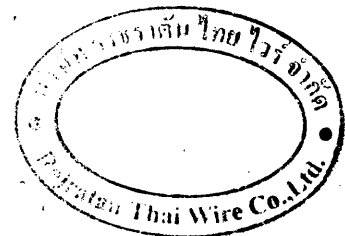
	(In Baht)	
	2017	2016
Salary & Employee Benefits	10,041,803.87	8,924,975.27
Depriciation	748,463.43	818,582.19
Vehicle Repair & Maintenance expenses	676,854.15	858,004.74
Insurance	360,562.29	324,231.42
Factory Security Expenses	1,001,000.00	672,000.00
Repair & Mainentance Expenses	2,496,893.13	1,932,328.74
Staff Welfare Expenses	238,925.37	207,733.32
Land Maintenance Fees	284,910.00	284,910.00
Printing & Stationery	209,724.59	176,990.06
Rent Expense	18,000.00	18,000.00
ISO Expenses	111,750.00	60,000.00
Audit Fee	118,000.00	125,000.00
Legal & Professional Charges	1,614,445.57	463,758.06
Other Administrative Expenses	2,818,426.96	2,627,785.39
Total administrative expenses	20,739,759.36	17,494,299.19

Approved

Yashovardhan

(Mr. Yashovardhan Chordia)

Director



RAJRATAN THAI WIRE CO., LTD.

DETAILS OF FINANCE COSTS

FOR THE YEAR ENDED 31 MARCH 2017 AND 2016

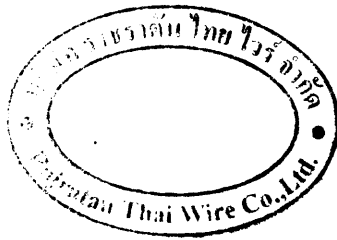
	(In Baht)	
	2017	2016
Interest Expense	15,436,212.24	16,206,261.47
SBLC Commission	2,819,640.38	4,529,218.12
Bank Charges	1,270,694.89	870,267.87
Finance Cost	337,065.39	125,666.71
Processing Fee for ICICI Loan	2,074,612.52	2,409,809.89
Discount Charges	1,715,949.77	1,934,801.19
Factoring Fee	236,825.01	277,546.21
Total finance costs	23,891,000.20	26,353,571.46

Approved

Yashovardhan

(Mr. Yashovardhan Chordia)

Director



Rajratan Thai Wire Co., Ltd.

Notes to financial statements

For the years ended 31 March 2017 and 2016

1. GENERAL INFORMATION

Rajratan Thai Wire Co., Ltd. was incorporated as a limited company under Thai law on 28 November 2006 with registered No. 0105549139498. The Company has been incorporated in Thailand with the principle activity of manufacturing and trade of tyre bead wire and metal products. Its major shareholder is Rajratan Global Wire Limited., Company incorporated in India, holding 100% of total authorized and issued capitals.

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

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with financial reporting standard applicable to non-publicly accountable entities as issued by the Federation of Accounting Professions.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. ADOPTION OF NEW ACCOUNTING STANDARDS DURING THE YEAR

In May 2012, the Federation of Accounting Professions issued the financial reporting standard for non-publicly accountable entities ("TFRS for NPAEs"). The Company's management has assessed that use of TFRS for NPAEs does not have any significant impact on the financial statements for the current year. *Q*

4. ACCOUNTING POLICIES

4.1 REVENUE RECOGNITION

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


Based on the Announcement of the Board of the Investment No. Por. 14/1998 dated December 30, 1998 regarding revenue reporting of a promoted industry, the Company is required to report the revenue from domestic sales and export sales separately and to report separately between the promoted and non-promoted sectors. For the years ended March 31, 2017 and 2016 the required information is as following:

	For the year ended March 31, 2017		Total	For the year ended March 31, 2016		Total
	Promoted	Non-Promoted		Promoted	Non-Promoted	
	Business	Business		Business	Business	
Local sales	-	322.88	322.88	100.75	193.84	294.59
Export sales	<u>-</u>	<u>259.06</u>	<u>259.06</u>	<u>63.01</u>	<u>154.64</u>	<u>217.65</u>
Total	<u>-</u>	<u>581.94</u>	<u>581.94</u>	<u>163.76</u>	<u>348.48</u>	<u>512.24</u>

4.2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 TRADE ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Trade accounts receivable are stated at the net realizable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging. 

4.4 INVENTORIES

(a) Inventories are valued at cost or net realizable value whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make to sale.

(b) The cost of inventories comprise all costs of purchase including duties and taxes (other than those subsequently recoverable from the taxing authorities), conversion cost and other costs incurred in bringing the inventories to their present location and condition.


(c) The cost formulas used are Annual Weighted Average Cost in case of Raw Material and First-in First-Out (FIFO) in case of Ancillary Raw Material (Consumable Spares).

4.5 PROPERTY, PLANT, AND EQUIPMENT AND DEPRECIATION

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

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

	<u>Approximately useful life</u>	
	<u>(years)</u>	
	<u>2017</u>	<u>2016</u>
Building and improvement (Factory)	30	30
Building and improvement (Residential)	61	61
Plant, machinery, and equipments	19	19
Furniture and fixtures	16	16
Vehicles	11	11
Office equipments	6	6

Capital Work-In-Progress includes the cost of fixed assets that are not ready to use at the balance sheet date. 

4.6 RELATED PARTY TRANSACTIONS

Related parties comprise enterprises and individuals that control or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company. In addition, related parties include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, and key management personnel, and directors and officers with authority in the planning and direction of the Company's operations, together with close members of the families of such persons and companies which are controlled or influenced by them, whether directly or indirectly.


4.7 HIRE PURCHASE AGREEMENT

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

4.8 FOREIGN CURRENCIES

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of the reporting period

4.9 USE OF ACCOUNTING ESTIMATES

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

5. CASH AND CASH EQUIVALENT

	(In Baht)	
	2017	2016
Cash	84,226.21	31,052.50
Cash at financial institutions	158,857.97	61,042.25
Total	<u>243,084.18</u>	<u>92,094.75</u>

6. INVENTORY

	(In Baht)	
	2017	2016
Raw materials	27,858,444.64	26,792,900.77
Work in progress	16,449,257.85	13,288,478.53
Ancillary raw material	291,473.00	185,825.00
Store materials	9,044,196.57	13,618,257.54
Scrap	15,996.00	59,400.00
Goods in transit	7,243,568.89	-
Finished goods	19,276,156.83	12,098,335.74
Total	<u>80,179,093.78</u>	<u>66,043,197.58</u>

7. OTHER CURRENT ASSETS

	(In Baht)	
	2017	2016
Input VAT not due	845,269.17	633,782.81
Prepaid expenses	2,838,600.00	202,025.42
TDS Receivable from ICICI bank	3,875,777.87	4,438,759.00
Prepaid SBLC and L/C commission	74,902.00	826,698.33
Deposit	978,750.00	-
Other advance and receivables	1,216,915.20	981,397.84
Total	<u>9,830,214.24</u>	<u>7,082,663.40</u>

8. PROPERTY, PLANT, AND EQUIPMENT - NET

(In Baht)

Cost	Work in process and under installation							Total		
	Land and land improvement	Factory Building and structure	Plant and Machinery	Residential Building	Furniture & Fixtures	Computer and Equipments	Vehicles		Plant and Machinery structure	Factory Building and structure
March 31, 2016	40,580,281.99	73,655,864.66	306,589,295.52	7,877,461.00	2,585,979.11	3,049,637.55	3,914,154.42	4,331,262.22	10,997,603.08	453,581,539.55
Work in progress	-	26,600,306.81	21,158,861.99	-	-	-	-	(21,158,861.99)	(26,600,306.81)	-
Increase during the period	-	363,904.00	1,769,843.99	-	1,290,489.05	58,185.52	826,800.00	24,534,862.00	15,602,703.73	44,446,788.29
Decrease during the period	-	-	(15,775.30)	-	(10,000.00)	(11,652.34)	-	-	-	(37,427.64)
March 31, 2017	40,580,281.99	100,620,075.47	329,502,226.20	7,877,461.00	3,866,468.16	3,096,170.73	4,740,954.42	7,707,262.23	-	497,990,900.20
Accumulated depreciation										
March 31, 2016	-	18,709,176.38	102,596,720.80	1,098,059.29	970,875.60	2,912,787.61	2,371,695.07	-	-	128,659,314.75
Depreciation expense during the period	-	2,644,675.22	16,434,616.70	128,402.61	178,078.10	25,142.97	417,465.91	-	-	19,828,381.51
Decrease during the period	-	-	(415.35)	-	-	(626.16)	-	-	-	(1,041.51)
March 31, 2017	-	21,353,851.60	119,030,922.15	1,226,461.90	1,148,953.70	2,937,304.42	2,789,160.98	-	-	148,486,654.75
Book Value										
March 31, 2016	40,580,281.99	54,946,688.28	203,992,574.72	6,779,401.71	1,615,103.51	136,849.94	1,542,459.35	4,331,262.22	10,997,603.08	324,922,224.80
March 31, 2017	40,580,281.99	79,266,223.87	210,471,304.05	6,650,999.10	2,717,514.46	158,866.31	1,951,793.44	7,707,262.23	-	349,504,245.45
Depreciation expenses										
For year ended 31 March 2016										18,998,209.81
For year ended 31 March 2017										19,828,381.51

- The Company's land, existing buildings and future improvements thereon, together with the machineries and equipments have been mortgaged with certain banks to secure the long-term loan from financial institutions as mentioned in Note 6.

- The Company Land has been mortgaged to ICICI Bank Limited, Singapore, and Building, Plant and Machinery has been mortgaged to secure the long term loan from ICICI Bank Limited, Singapore.

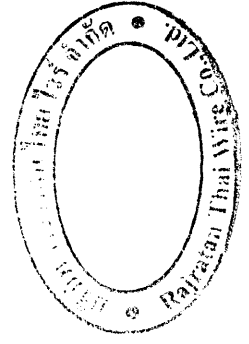
- The Company residential building has been mortgaged to Bank of Ayudhya Plc., Thailand (BAY), to secure the long term loan from Bank of Ayudhya Plc., Thailand (BAY).

Approved

Yashovardhan Chordia

(Mr. Yashovardhan Chordia)

Director



9. DEPOSITS

	(In Baht)	
	2017	2016
Deposit with ADLC	-	3,716,540.55
Other deposits	126,500.00	131,500.00
Total	<u>126,500.00</u>	<u>3,848,040.55</u>

10. BANK OVERDRAFT AND SHORT-TERM LOANS

	(In Baht)	
	2017	2016
Bank overdraft	5,140,770.28	8,136,215.37
Short-term loan – Factoring	32,625,668.14	28,815,980.33
Promissory note	152,900,000.00	153,600,000.00
Total	<u>190,666,438.42</u>	<u>190,552,195.70</u>

Above borrowing was extended by Bank of Ayudhaya PLC Thailand under working capital loan agreement dated 9th May, 2008, which is secured by SBLC of USD 3.00 million and 0.80 million issued by ICICI Bank, Singapore under the Loan Agreement dated 5th May, 2007 & 10th October, 2012 and United Oversea Bank (Thailand) Ltd. Under working capital loan agreement dated 17th January, 2011, which is secured by SBLC of USD 2 million issued by IDBI Bank limited, India

11. LIABILITIES UNDER HIRE PURCHASE AGREEMENTS

	(In Baht)	
	<u>2017</u>	<u>2016</u>
Liabilities under hire purchase agreements	1,197,426.98	5,477,244.57
<u>Less</u> : Portion due within one year	(547,278.75)	(4,818,575.47)
Liabilities under hire purchase agreements - net of current portion	<u>650,148.23</u>	<u>658,669.10</u>

The Company had entered in Lease agreement with Ayudhaya Development Leasing Company Limited (ADLC) for taking plant and machineries on lease in January 2012. The lease agreement has been signed between ADLC and the company for 4 Years.

12. RELATED COMPANY TRANSACTIONS

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

		(In Baht)	
		<u>2017</u>	<u>2016</u>
Purchase of raw material	RGWL	22,525,398.00	127,198,559.39
Purchase of stores, material handling & packing items	RGWL	1,186,265.72	1,225,284.83
	Swaraj	-	79,325.98
		<u>1,186,265.72</u>	<u>1,304,610.81</u>
Purchase of Capital Goods	RGWL	-	148,049.67
	Swaraj	6,282,786.70	4,230,300.00

The outstanding balances as at March 31, 2017 and 2016 have been separately shown in the balance sheets as follows:-

		(In Baht)	
		<u>2017</u>	<u>2016</u>
Trade payable to related company	RGWL	(4,805,236.87)	(3,944,711.53)
Trade receivable (payable) to related company	Swaraj	5,464,658.34	(417,838.00)
		<u>659,421.47</u>	<u>(4,362,549.53)</u>
Loan from parent company		<u>(53,683,667.67)</u>	<u>(50,310,198.69)</u>
Loan from related parties		<u>(1,200,000.00)</u>	<u>-</u>

13. LONG-TERM LOANS

a) LONG-TERM LOAN FOR PROJECT

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

(In million baht)

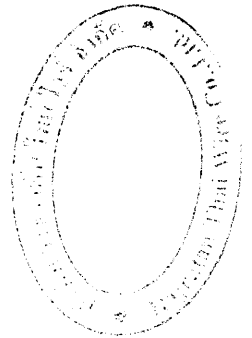
Lender	Date of Agreement	Principal (Million Baht)	Interest rate	Repayment condition	2017	2016	Secured by
Bank of Ayudhya Plc., Thailand (BAY)	2/5/2007	126.00	At the fixed rate in the first and second year, at the rate of MLR - margin in the third year through the end of this agreement.	Repaid 100.45 Million Baht till Mar'16 and the rest instalment are to be repaid in quarterly installments as per reschedulement, till end of January 2017	-	25.55	Secured by USD 1,345 million, standby letter of credit from ICICI Bank Limited Singapore
Bank of Ayudhya Plc., Thailand (BAY)	7/12/2007	54.00	MLR- margin	Repaid 43.05 Million Baht till Mar'16 and the rest instalment are to be repaid in quarterly installments as per reschedulement, till end of January 2017	-	10.95	Secured by USD 0,585 million, standby letter of credit from ICICI Bank Limited Singapore

Approved

Yashovardhan

(Mr. Yashovardhan Chordia)

Director



13. LONG-TERM LOANS (continued)

b) LONG-TERM LOAN FOR HOUSING

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

(In million baht)

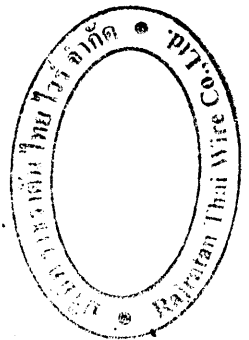
Lender	Date of Agreement	Principal (Million Baht)	Interest rate	Repayment condition	2017	2016	Secured by
Bank of Ayudhya Plc., Thailand (BAY)	23/7/2007	3.92	MLR - 0.5 per annum	Repay principal in monthly instalments in amount of Baht 32,700.00	-	0.52	Secured by mortgage of houses
Bank of Ayudhya Plc., Thailand (BAY)	26/12/2007	2.00	MLR - 0.5 per annum	Repay principal in monthly instalments in amount of Baht 16,700.00	-	0.35	Secured by mortgage of houses
				Total balance	-	37.37	
				Less : - Portion due within one year from Long-term housing loan	-	(0.60)	
				- Portion due within one year from Long-term loan	-	(36.50)	
				Long-term loan - net	-	0.27	

Approved

Yashovardhan

(Mr. Yashovardhan Chordia)

Director



14. TRADE AND OTHER PAYABLE

	(In Baht)	
	2017	2016
Trade payable	131,658,182.73	94,665,132.69
Accrued expenses	86,250.00	1,056,698.40
Accrued interest expenses	79,339.46	50,374.48
Social security fund payable	189,932.00	164,818.00
Accrued expenses – commission on sales	70,984.72	347,343.06
Accrued export expenses	1,925,664.00	1,246,432.00
Withholding tax payable	191,327.56	346,959.48
Deposit	1,118,375.00	-
Other current liabilities	583,739.14	61,255.64
Total	<u>135,903,794.61</u>	<u>97,939,013.75</u>

15. PROMOTIONAL PRIVILEGES

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

- a) Permission to own land as approved by the Board.
- b) Exemption from import duty on imported machinery for use in production as approved by Board.
- c) Exemption from corporate income tax on net profits for a period of 7 years commencing as from the date of first earning operating income. The tax exempted shall not over 100% of the total investments excluded from cost of land and related working capital and the exemption is unable to apply to the income earned from selling of Tyre Bead Wire which has not been drawing or stretching.
- d) Exemption from income tax on dividends paid from the profits of the promoted operations for which corporate income tax is exempted, throughout the corporate income tax exemption.
- e) Exemption from import duty on essential raw materials and supplies imported for manufacturing products for export sale for a period of 1 year commencing as from the first date of importing of such materials. *an*

15. **PROMOTIONAL PRIVILEGES (Continued)**

Company has started Commercial production w.e.f. 1st June 2008 for Part Production Process and started Commercial Production w.e.f. 1st August 2008 for its Full Production Process, which will be considered as reference date for calculation of Tax-Free Income from Promoted operations as per BOI Promotion Certificate No. 1080(2)/2550 dated January 26, 2007. The BOI privilege period for tax-free income from promoted operations ended on 31st July 2015.

16. **CORPORATE INCOME TAX**

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

17. **CONTINGENT LIABILITY**

As at March 31, 2017 and 2016, The Company was contingently liable to local bank for letters of guarantee issued by said banks totaling approximately Baht 4.54 million and 3.86 million respectively.

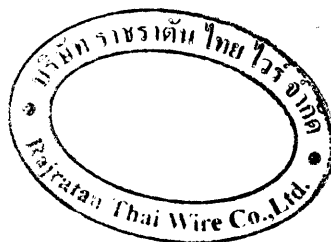
18. **APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were authorized for issue by the Company's authorized director on 9 May 2017. *Q*

Agreed and accepted

Yashovardhan

..... Director



Mr. Yashovardhan Chordia