



# **Rathi Bars Limited**

## *19th* **ANNUAL REPORT**

**2011-2012**

---

<b>BOARD OF DIRECTORS</b>	Sh. Kamlesh Kumar Rathi Sh. Anupam Rathi Sh. Anurag Rathi Sh. Harkishore Kejriwal Sh. Ashok Kumar Garg Sh. Binod Kumar Maheshwari
<b>AUDITORS</b>	M/s A. K. Vaish & Co. (Chartered Accountants) B-101, Gateway Towers, 24, Sector-IV, Vaishali, Distt. Ghaziabad (U.P.)- 201010
<b>BANKERS</b>	State Bank of Bikaner & Jaipur A-1/19, Safdarjung Enclave, New Delhi-110029
<b>REGISTERED OFFICE</b>	A-24/7, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi-110044 Ph:011-43165400 Fax: 011-40597117 Email: contact@rathisteels.com
<b>WORK OFFICE</b>	SP1,-7, RIICO Industrial Area, Khushkhera, P.O. Tapukra, Distt. Alwar, Rajasthan-301707 Ph.: 01493-2518855
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	M/s MAS Services Limited, T-34, Second Floor, Okhla Industrial Area, Phase II, New Delhi-110020 Ph: 011-26387281-83

## **NOTICE**

**NOTICE** is hereby given that Nineteenth Annual General Meeting of the Members of **M/S RATHI BARS LIMITED** will be held on **Saturday, 29th day of September, 2012 at 10.00 A. M.** at the Registered Office of the Company situated at A-24/7, Mohan Co- Operative Industrial Estate, Mathura Road, New Delhi-110044 to transact the following businesses:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit & Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon:

**“RESOLVED THAT** the Company's audited Balance Sheet as at 31<sup>st</sup> March, 2012, the audited Profit & Loss Account and the audited Cash Flow Statement for the financial year ended on that date together with Director's and Auditor's Report thereon be and are hereby approved and adopted”.

2. To consider and if thought fit, to pass, with or without modifications, if any, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Shri Kamlesh Kumar Rathi, Managing Director, who retires from the office of Director by rotation in this Annual General Meeting, be and is hereby re-appointed as a Director of the Company, whose office shall be liable for retirement by rotation”.

3. To consider and if thought fit, to pass, with or without modifications, if any, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Shri Anurag Rathi, who retires from the office of Director by rotation in this Annual General Meeting, be and is hereby re-appointed as a Director of the Company, whose office shall be liable for retirement by rotation.”

4. To consider and if thought fit, to pass, with or without modifications, if any, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** M/s A K Vaish & Co, Chartered Accountants, retiring Auditors, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration to be decided by the Board of Directors”.

### **SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass, with or without modifications, the following resolution as ordinary resolution;

**RE-APPOINTMENT OF MANAGING DIRECTOR OF THE COMPANY AND CHANGE IN SALARY THEREOF – MR. KAMLESH KUMAR RATHI:**

**RESOLVED THAT** pursuant to Sections-192, 269 and other applicable provisions, if any, of the Companies Act, 1956 and Schedule XIII thereof and pursuant to Article No. 127 of the Articles of Association of the Company, approval of shareholders of the

Company be and is hereby accorded to the re-appointment of the Managing Director, Mr. Kamlesh Kumar Rathi, with effect from 01<sup>st</sup> day of October, 2012 for the period of 3 years and other terms and conditions of his appointment shall remain same except remuneration which is discontinued w.e.f. 01<sup>st</sup> day of April, 2012 in the interest of Company and other stakeholders.”

6. To consider and if thought fit, to pass, with or without modifications, the following resolution as ordinary resolution;

**RE-APPOINTMENT OF WHOLE-TIME DIRECTOR OF THE COMPANY AND CHANGE IN SALARY THEREOF – MR. ANUPAM RATHI:**

**RESOLVED THAT** pursuant to Sections-192, 269 and other applicable provisions, if any, of the Companies Act, 1956 and Schedule XIII thereof and pursuant to Article No. 127 of the Articles of Association of the Company, approval of shareholders of the Company be and is hereby accorded to the re-appointment of Whole Time Director, Mr. Anupam Rathi, with effect from 01<sup>st</sup> day of October, 2012 for the period of 3 years.

**“FURTHER RESOLVED THAT** pursuant to the provisions of Sections–198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 and Schedule XIII thereof and pursuant to the Articles of Association of the Company and approval of shareholders be and is hereby accorded for increase in salary of Mr. Anupam Rathi, Whole Time Director of the Company from Rs. 1,65,000/- p.m. to Rs. 2,00,000/- p. m. with effect from 01<sup>st</sup> day of April, 2012 and other terms and conditions of his appointment shall remain same.”

**“FURTHER RESOLVED THAT** notwithstanding anything contained hereinabove, where, in any financial year, during the currency of tenure of the Whole Time Director, if the Company has no profits or its profits are inadequate, the Company shall remunerate the Whole Time Director at monthly remuneration which is well within the limits laid down by Schedule XIII; till it is revised in keeping with the financial growth of the Company in terms of either the effective capital or net profits”

**“RESOLVED FURTHER THAT** Mr. Anupam Rathi, be and is hereby entitled to a total remuneration of Rs. 2, 00,000/- (Rs. Two Lakh) Per Month by way of basic salary and reimbursement of entertainment and other expenses including travel expenses actually and properly incurred for the business of the Company.”

7. To consider and if thought fit, to pass, with or without modifications, the following resolution as ordinary resolution;

**RE-APPOINTMENT OF WHOLE-TIME DIRECTOR OF THE COMPANY AND CHANGE IN SALARY THEREOF – MR. ANURAG RATHI:**

**RESOLVED THAT** pursuant to Sections-192, 269 and other applicable provisions, if any, of the Companies Act, 1956 and Schedule XIII thereof and pursuant to Article No. 127 of the Articles of Association of the Company, approval of shareholders of the Company be and is hereby accorded to the re-appointment of Whole Time Director, Mr. Anuarag Rathi, with effect from 01<sup>st</sup> day of October, 2012 for the period of 3 years.

**“FURTHER RESOLVED THAT** pursuant to the provisions of Sections–198, 269, 309,

310 and other applicable provisions, if any, of the Companies Act, 1956 and Schedule XIII thereof and pursuant to the Articles of Association of the Company and approval of shareholders be and is hereby accorded for increase in salary of Mr. Anurag Rathi, Whole Time Director of the Company from Rs. 1,65,000/- p.m. to Rs. 2,00,000/- p. m. with effect from 01<sup>st</sup> day of April, 2012 and other terms and conditions of his appointment shall remain same."

**"FURTHER RESOLVED THAT** notwithstanding anything contained hereinabove, where, in any financial year, during the currency of tenure of the Whole Time Director, if the Company has no profits or its profits are inadequate, the Company shall remunerate the Whole Time Director at monthly remuneration which is well within the limits laid down by Schedule Xiii; till it is revised in keeping with the financial growth of the Company in terms of either the effective capital or net profits"

**"RESOLVED FURTHER THAT** Mr. Anurag Rathi, be and is hereby entitled to a total remuneration of Rs. 2, 00,000/- (Rs. Two Lakh) Per Month by way of basic salary and reimbursement of entertainment and other expenses including travel expenses actually and properly incurred for the business of the Company."

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

**ITEM NO. 5, 6 and 7**

Your directors recommends for the confirmation of reappointment of Mr. Kamlesh Kumar Rathi, Managing Director of the Company, Mr. Anupam Rathi and Mr. Anurag Rathi, both whole time Directors of the Company whose term expires on 30<sup>th</sup> day of September, 2012. In the Board and remuneration committee Meeting held on 14<sup>th</sup> day of February, 2012, Mr. Kamlesh Kumar Rathi, Managing Director is reappointed subject to the approval of members and he requested to discontinue his remuneration in the interest of the Company and other stakeholders of the Company and his request was accepted and remuneration is discontinued w.e.f. 01.04.2012. These three directors have promoted and directed its growth since inception. Your directors are putting their best efforts to continue on the growth path inspite of the slow economic growth. Therefore, your Board recommends the increase in the remuneration of Whole-time directors of the Company from Rs. 1,65,000/- P. M. (Rupees One Lac Sixty Five Thousand) to Rs. 2,00,000 (Two Lacs) Only in order to remunerate their energy, efforts and sincerity towards the growth of the Company and you are requested to confirm their reappointment and increase in remuneration of Whole Time Directors.

By order of the Board of  
Directors

**FOR RATHI BARS LIMITED**

Place: New Delhi

Date: 5<sup>th</sup> September, 2012

Sd/-

**(Managing Director)**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.  
The proxy, in order to be valid and effective must be deposited at the registered office of the Company not less than 48th hours before the commencement of the meeting. A form of Proxy and Admission Slip is enclosed
2. The Register of Members and Share Transfer Books of the Company will remain closed from 24<sup>th</sup> September 2012 to 29<sup>th</sup> September, 2012 (both days inclusive).
3. Members are requested to notify the change in their address and such communication be addressed to the Regd. Office of the Company or our Share Transfer Agent M/s MAS Services Limited having its office at T-34, Second Floor, Okhla Industrial Area, Phase-II, New Delhi-110020
4. Members are requested to bring their copy of the Annual Report along with the duly filled attendance slip. As a measure of economy, copies of the annual report will not be distributed at the Annual General Meeting.
5. Shareholders holding shares in Electronic form are requested to bring their Client ID and DPID at the meeting for easy identification.
6. The queries, if any, on the accounts should be sent to the Company at its registered office such a way that the Company will receive the same at least 10 days before the Annual General Meeting.
7. Pursuant to the recommendation of SEBI committee on Corporate Governance about the re-appointment of the retiring directors, the relevant details of the concerned Directors are given in the report on Corporate Governance forming part of the Director's Report.

By order of the Board of Directors

**FOR RATHI BARS LIMITED**

Place: New Delhi

Sd/-

Date: 5<sup>th</sup> September, 2012

**(Managing Director)**

**DIRECTOR'S REPORT**

Your Directors have pleasure in presenting the Nineteenth Annual Report of your Company together with the Audited Accounts for the year ended March 31<sup>st</sup>, 2012.

(Rupees in Lakhs)

<b>FINANCIAL RESULTS</b>	<b>Year 2011-2012</b>	<b>Year 2010-2011</b>
Income from Operations	31168.03	21066.81
Profit before Interest, Depreciation and Tax	795.90	915.08
Depreciation	204.73	215.77
Interest	281.36	224.77
Profit before Tax (PBT)	309.81	474.54
Profit after Tax (PAT)	296.04	482.06

**REVIEW OF OPERATIONS AND FUTURE OUTLOOK**

The Company has made a profit of Rs. 296.04 Lakhs (After Tax) during the year and is hopeful of maintaining and improving its positions in the future.

**DIVIDEND**

Your Directors do not recommend any dividend at this stage as the Company requires ploughing back of the profits to the working capital of the Company and expects good results in the coming years.

**DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri Kamlesh Kumar Rathi & Shri Anurag Rathi, Directors of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible for re-appointment. They have confirmed that they are not disqualified under Section 274(1) (g) of the Companies Act, 1956 and they are eligible to be re-appointed as Directors of the Company.

**OPERATIONAL REVIEW**

During the year, your Company had produced 68943.260 MT Steel Bars and 32513.370 MT Ingots/Billets as against production of 57131.230 MT Steel Bars and 33133.475 MT ingots during the corresponding period of last year.

**SHARE CAPITAL**

During the year, there is no change in the capital of the Company.

## AUDITORS

M/s A. K. Vaish & Co., Chartered Accountants, retire at the conclusion of this Annual General Meeting and being eligible, offers themselves for re-appointment. They have confirmed that their re-appointment, if made, would be in conformity with the limits prescribed under Section 224 of the Companies Act, 1956.

## CORPORATE GOVERNANCE

All the provisions of Corporate Governance have duly complied as provided in the listing agreement of Bombay Stock Exchange with which the Company shares are listed.

A separate report on 'Corporate Governance' alongwith Auditors Certificate for its remarks is annexed hereto as a part of this report.

## MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of the Listing Agreement with Stock Exchange, A Management Discussion and Analysis Report, highlighting the performance and prospectus of the Company's business is attached and forming part of this report.

## STATUS OF LISTING

The Company's shares are listed at Bombay Stock Exchange Ltd. The Company has paid the listing fees to the Stock Exchange, Mumbai for the year 2012-2013.

The Company's shares are currently traded in compulsory DMAT Segment in BSE.

## PUBLIC DEPOSITS

The Company has not invited or accepted any deposits pursuant to Section 58-A of the Companies Act, 1956. Hence, no information is required to be appended to this report in terms of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank of India Directions, 1998).

## DIRECTOR'S RESPONSIBILITY STATEMENT

The Board of Directors of your Company state:-

- i) That in the preparation of the annual accounts, the applicable accounting standards had been followed;
- ii) That the Directors had 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 & Loss of the Company for that period;
- iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting record in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors had prepared the annual accounts on a going concern basis.



## **PARTICULARS OF EMPLOYEES**

During the year under review, there was no employee who falls under the Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

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

The information required to be furnished under Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors ) Rules 1988 relating to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo are as follow:

### **A) CONSERVATION OF ENERGY:**

**The Company had taken adequate steps to improve the conservation of energy and this is a continuous process and forms an integral part of responsibilities of departmental heads.**

**Some of the energy conservation steps taken are as follow:**

- i) Optimum Capacity utilisation.
- ii) Optimization of pump and motor operations through standard operating practices.
- iii) Strict quality checks on inputs thus saving electricity consumption.
- iv) Minimization of handling losses.
- v) Total Energy Consumption and Energy Consumption per unit of production is optimum as per industry standards.

During the year under review, the Company has consumed 4,18,14, 486 units of Electricity and 1,34,484.824 MMBTU of Gas.

### **B) TECHNOLOGY ABSORPTION**

The Company is using technology, which is best available in the Steel Industry and always step forward to upgrade the same.

### **C) FOREIGN EXCHANGE EARNINGS AND OUTGO (IN Rs.)**

During the year under review:

Foreign Exchange Earned:	NIL
Foreign Exchange Outgo:	Rs. 1,30,719.00

## **INDUSTRIAL RELATIONS**

During the year, your Company maintained harmonious and cordial industrial relations.

## **ACKNOWLEDGEMENTS**

Your Directors take this opportunity to offer their sincere thanks to the various Departments of the Central and State Governments, Bankers to the Company, all customers, dealers, suppliers and contractors for their continued, valued assistance and support. Your directors

also wish to place on record their appreciation for dedicated services rendered by all officers, staff and workers of the company at all levels.

By order of the Board of Directors

**FOR RATHI BARS LIMITED**

Sd/-

Sd-

Place: New Delhi

Kamlesh Kumar Rathi

Anupam Rathi

Date: 5<sup>th</sup> September, 2012

**(Managing Director)**

**(Whole Time Director)**

**DECLARATION REGARDING COMPLIANCE BY BOARD OF DIRECTORS AND SENIOR MANAGEMENT / PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that all Directors and senior management personnel of the Company have affirmed compliance with Code of Conduct of the Company for the financial year ended March 31, 2012 as envisaged in Clause 49 of the Listing Agreement with Stock Exchange.

Sd/-

Place: New Delhi

Kamlesh Kumar Rathi

Date: 05.09.2012

**Managing Director**

**CERTIFICATE BY MANAGING DIRECTOR AND WHOLE TIME DIRECTOR:**

**We, K K Rathi, Managing Director and Anupam Rathi, Whole Time Director, certify that:**

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
  - (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) There are, to the best of their 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) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the auditors and the Audit committee
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes 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.

**Place: New Delhi**  
**Date: 05.09.2012**

Sd/-  
**Kamlesh Kumar Rathi**  
**(Managing Director)**

Sd/-  
**Anupam Rathi**  
**(WholeTime Director)**

## **CORPORATE GOVERNANCE REPORT**

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

The Directors of the Company are pleased to present the Corporate Governance Report for the Financial Year 2011-2012. The Securities & Exchange Board of India introduced the Code of Corporate Governance for implementations by the listed companies vide an amendment to the Listing Agreement. The Shareholders and Investors of the Company will find the informations informative and useful.

Company's policies on the Corporate Governance and due compliance report on specific areas wherever applicable for the year ended 31<sup>st</sup> March, 2012 are given hereunder divided into the following areas:

### **1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company believes that for the success of its business, an adherence to the core values of integrity, honesty, accountability and Compliance of laws is of utmost significance. The Company continuously strives for improving performance. The Company believes that adherence to Corporate Governance in all its dealings will make the Company more committed towards its Shareholders, Government Authorities, Banks and Stock Exchange etc.

### **2. BOARD OF DIRECTORS**

#### **A. Composition and Size of the Board**

The composition of the Board of Directors as at 31<sup>st</sup> March 2012 is as follows:

<b>Name</b>	<b>Designation</b>	<b>Executive / Non-executive / Independent</b>
Sh. Kamlesh Kumar Rathi	Managing Director	Executive
Sh. Anupam Rathi	Whole Time Director	Executive
Sh. Anurag Rathi	Whole Time Director	Executive
Sh. Harkishore Kejriwal	Director	Non Executive and Independent
Sh. Ashok Kumar Garg	Director	Non Executive and Independent
Sh. Binod Kumar Maheshwari	Director	Non Executive and Independent

#### **B. Board meetings held during the year**

The Board meets at least once in a quarter to consider, amongst other business, the quarterly performance of the Company and its financial results. The Board held 5 meetings during the financial year 2011-12 on 13<sup>th</sup> May 2011, 12<sup>th</sup> August 2011, 5<sup>th</sup> September, 2011, 14<sup>th</sup> November, 2011, and 14<sup>th</sup> February 2012. All the relevant information needed for taking decisions by the Board is made available to the Directors at the meetings.

The Board and its Committees formulate policy decisions, to lead and control the Company. The Composition of the Board is in conformity with the amendments in the Listing Agreement. No Director is a member of more than 10 Committees or Chairman of more than of 5 Committees across all companies in which they are directors. The details are as under:

S. No	Name of Directors	No. of Board Meetings attended	Attend-ance At last AGM	Number of Outside Director -ship (s) (*)	Total Number of Membership (s) in other Board Committees	Number of Chairmanship (s) in other Board Committees
1	Sh. Kamlesh Kumar Rathi	5	YES	4	Nil	Nil
2	Sh. Anupam Rathi	5	YES	6	Nil	Nil
3	Sh. Anurag Rathi	5	YES	7	Nil	Nil
4	Sh. Harkishore Kejriwal	4	No	1	Nil	Nil
5	Sh. Ashok Kumar Garg	5	No	6	Nil	Nil
6	Sh. Binod Kumar Maheshwari	3	No	11	Nil	Nil

**C. Information in cases of appointment or reappointment as required under listing agreement is given as under**

Shri Kamlesh Kumar Rathi & Shri Anurag Rathi, being the Managing and Whole time Directors, of the Company & has been on the Board of the Company since incorporation. They have made valuable contribution to the Board through their vast experience.

**3. AUDIT COMMITTEE**

The Company has constituted Audit Committee as per Clause 49(1) (b) of the Listing Agreement to review the internal audit systems and it comprises of Independent Directors in compliance of clause 49 II (i) of the Listing Agreement. Sh. Ashok Kumar Garg, is the Chairman of the Committee, Shri Kamlesh Kumar Rathi and Shri Harkishore Kejriwal are the members of the Committee. Finance Manager and Statutory Auditors are the invitees to the meeting. The terms of reference of this Committee cover the matters specified for Audit Committees under clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

There were five audit committees' meetings held during the year.

**4. REMUNERATION COMMITTEE**

**Remuneration of Directors**

The Company has paid remuneration to Directors Mr. Kamlesh Kumar Rathi, Mr. Anupam Rathi and Mr. Anurag Rathi and Remuneration of Mr. Kamlesh Kumar Rathi, Managing Director, is discontinued w. e. f. 01.04.2012 on their request and remuneration of Mr. Anupam Rathi and Mr. Anurag Rathi, both Whole time directors of the Company is increased from Rs. 1, 65,000/- to Rs. 2, 00,000/- w.e.f. 01.04.2012 on the recommendation of Board and Remuneration committee subject to the approval of shareholders. Details of remuneration per annum to Managing Director and whole time Directors are as follow:

<b>S.No.</b>	<b>Name of the Director</b>	<b>Amount (in Rs. Lakhs) As on 31.03.2012</b>
1.	Mr. Kamlesh Kumar Rathi (Managing Director)	30.00
2.	Mr. Anupam Rathi (Whole Time Director)	19.80
3.	Mr. Anurag Rathi (Whole Time Director)	19.80

#### **5. SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE**

The Company has an Investors Grievance Committee under the nomenclature 'Share Transfer and Investor Grievance Committee.' The Committee looks after the redressal of Shareholders and Investors Grievances and approves transfer/transmission, sub-division and issue of duplicate share certificates etc. The Company's Registrars and Share Transfer Agents handle the investor grievances in consultation with the secretarial department of the Company. The Registrars have adequate skilled staff with potential qualifications and advanced computer systems for speedy redressal of the investor grievances. The total process of settlement of a complaint right from its receipt to disposal is fully computerized to ensure timely settlement. It normally takes 10-15 days from the receipt of complaint for disposal of investor grievance. In addition to the above, the Company has Share Transfer and Investor Grievance Committee in accordance with the requirements of Clause 49 of the Listing Agreement. Shri Ashok Kumar Garg, independent Director is the Chairman of the Committee and Shri Anupam Rathi and Shri Anurag Rathi; Whole Time Directors are the members of the Committee. The Company has received one complaint from its share holder and resolved the same during the year.

#### **6. GENERAL BODY MEETINGS**

The General Meetings of the last three years of the Company have been held as under:

<b>For the Year</b>	<b>Location</b>	<b>Day and Date</b>	<b>Time</b>	<b>No.Of Special Resolutions passed</b>
2010-2011 (AGM)	A-24/7, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-110044	Friday, 30th September, 2011	10.:00 AM	Nil
2009-2010 (AGM)	A-24/7, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-110044	Thursday, 30th September, 2010	10.:00 AM	Nil
2008-2009 (AGM)	A-24/7, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-110044	Wednesday, 30th September, 2009	10.:00 AM	Nil

The Company's shareholders have passed no resolution through postal ballot during the Financial Year 2011-12.

**7. DISCLOSURES**

There were no materially significant related party transactions during the year having potential conflict with the interest of the Company. The transactions with related parties are disclosed in Note 2-item No. 2 (f) in the Annual Report.

There were no instances of non-compliance by the Company or penalty being imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

**8. MEANS OF COMMUNICATION**

The quarterly, half-yearly and yearly un-audited/Audited financial results of the Company were published in leading newspapers viz. *Veer Arjun (Hindi)* and *Pioneer (English)*. Half-yearly results are not sent to each shareholder's address as a matter of economy.

Management Discussion and Analysis is a part of the Annual Report.

**9. GENERAL SHAREHOLDERS INFORMATION**

**Annual General Meeting**

-Day, Date and Time:	Saturday, 29 <sup>th</sup> September, 2012 at 10.00 A. M.
-Venue:	A-24/7, Mohan Co-operative Industrial Estate, New Delhi-110044

**Financial Calender**

Financial Year :	01 <sup>st</sup> April, 2011 to 31 <sup>st</sup> March, 2012
First Quarter Results :	12 <sup>th</sup> August, 2011
Second Quarter Results:	14 <sup>th</sup> November, 2011
Third Quarter Results:	14 <sup>th</sup> February, 2011
Fourth Quarter Results:	15 <sup>th</sup> May, 2012

**Annual General Meeting**

for the year ending

March 31, 2011:	30th September, 2011
-----------------	----------------------

Dividend Payment Date:	NA
------------------------	----

Listing on Stock Exchanges	<b>Bombay Stock Exchange Ltd.</b> <b>Floor 25, P J Towers, Dalal Street,</b> <b>Mumbai-400 001</b> <u><b>Market Price Data</b></u>
----------------------------	--

Market Price Data			Market Price Data		
Bombay Stock Exchange			Bombay Stock Exchange		
Month	High(Rs.)	Low(Rs.)	Month	High(Rs.)	Low(Rs.)
April, 11	05.62	04.78	Oct, 11	07.88	07.51
May, 11	08.40	08.02	Nov, 11	06.33	06.33
June, 11	08.15	08.00	Dec, 11	05.35	05.06
July, 11	08.19	07.86	Jan, 12	06.40	06.26
August, 11	07.95	07.91	Feb, 12	06.50	06.26
Sept, 11	07.90	07.75	Mar, 12	06.00	05.66

**10. DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH 2012**

SHAREHOLDING	NO. OF SHARE-HOLDERS	%AGE	NO.OF SHARES	%AGE
Upto-5000	7242	71.83	1530886	9.37
5001-10000	1525	15.13	1147746	7.03
10001-20000	882	8.75	1242152	7.61
20001-30000	164	1.63	418136	2.56
30001-40000	75	0.74	269996	1.65
40001-50000	50	0.50	238441	1.46
50001-100000	70	0.69	495492	3.03
100001-Above	74	0.73	10957508	67.28
<b>TOTAL</b>	<b>10882</b>	<b>100.00</b>	<b>16330357</b>	<b>100.00</b>

**11. DEMATERIALISATION OF SHARES**

The Company's shares are currently trading in compulsory DMAT Segment at BSE.

**12. ADDRESS FOR CORRESPONDENCE**

Shareholders correspondence may be addressed to:

**1. *The Registrar & Transfer Agent -***

**M/s MAS Services Limited,**

T-34, Second Floor, Okhla Industrial Area,

Phase II New Delhi-110020.

OR

**2. *The Company -***

**M/s Rathi Bars Limited,**

A-24/7, Mohan Cooperative Industrial Estate,

Mathura Road, New Delhi-110044.



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INDIAN ECONOMIC SCENERIO**

As reported in the Economic Survey of 2011-12, GDP grew by 6.9% in 2011-12 as compared to the growth of 8.4% in 2010-11. The inflation (WPI) at 9.1% in Financial Year 2011-12 led to consistent interest rate and raw material rate hikes, affecting Earnings before interest, taxes and depreciation (EBIDTA) of the company was ₹ 795.90 lacs in Financial Year 2011-12 compared to ₹ 915.08 lacs in Financial Year 2010-11. In spite of weakness in demand in the financial year, the Company recorded sales of Steel Bars 68443.435 MT in Financial Year 2011-12 compared to 58233.740 MT in Financial Year 2010-11, an increase of 17.53 % over the previous year.

### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The internal control systems and procedures adopted by the Company are adequate and commensurate with the size of operations of the Company. These systems and procedures are fine tuned from time to time to meet the requirements.

### **CAUTIONARY STATEMENT**

Statements made in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. However, these statements would be subject to conditions of the stock market, changes in the policies of the government, economic development, reforms and various other factors.

**A. K. VAISH & CO.**  
**CHARTERED ACCOUNTANTS**

B-101, GATEWAY TOWERS, 24, SECTOR-IV,  
VAISHALI, DISTT. GHAZIABAD (U.P.)

Dear Members,  
M/s Rathi Bars Limited  
New Delhi.

**Auditors' Certificate on Corporate Governance**

We have examined the compliance of conditions of Corporate Governance procedures implemented by M/s Rathi Bars Limited for the year ended on March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange (BSE).

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of 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.

On the basis of our review and according to the information and explanation given to us, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange:

On the basis of records maintained of the Investors'/ Shareholders' Grievance cum Share Transfer Committee of the Company information provided by the management, we state that no investor grievance(s) is/are pending for a period exceeding one month against the Company.

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

**For A. K. Vaish & Co.**  
Chartered Accountants

Place: New Delh  
Date: 05<sup>th</sup> September, 2012

Sd/-  
**A.K. Vaish**  
Proprietor

**AUDITORS' REPORT**

To the Members,  
**RATHI BARS LIMITED**

We have audited the attached Balance Sheet of RATHI BARS LIMITED as at 31<sup>st</sup> March, 2012, Profit & Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of accounts, as required by law, have been kept by the Company, so far as appears from our examination of such books;
  - c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e. In our opinion, and based on information and explanations given to us, none of the Directors are disqualified as on 31<sup>st</sup> March, 2012 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- f. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss Account read together with the Significant Accounting Policies, Cash Flow Statement and other notes thereon give the information required by the Companies Act, 1956 in the manner so required and present a true and fair view in the conformity with the accounting principles generally accepted in India:
- i. In the case of the Balance Sheet, of the State of affairs of the Company as at 31<sup>st</sup> March, 2012;
  - ii. In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
  - iii. In the case of the Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date;

Place : New Delhi

Dated : 05.09.2012

For A. K. VAISH & Co.  
Chartered Accountants

A. K. VAISH  
PROPRIETOR  
Membership No.71088

**ANNEXURE TO THE AUDITORS' REPORT**

**Re: Rathi Bars Limited**

(Referred to in paragraph 1 of our report of even date)

1. In respect of its fixed assets :
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b. As explained to us, all the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year and going concern status of the Company is not affected.
2. In respect of its inventories :
  - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
  - a. The Company has not granted any loans/advances to any parties and taken loans/advances from 6 (Six) party/ies aggregating to ₹ 1,66,08,000/- (Rupees One Crore Sixty Six Lacs Eight Thousand only).
  - b. In our opinion and according to the information and explanations given to us, the rate of interest, wherever, applicable and other terms and conditions are not prima facie prejudicial to the interest of the company.
  - c. In respect of loans taken by the Company, the interest payments are regular and the principal amount is repayable on demand.
  - d. There is no overdue amount in respect of loans taken by the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.

5. As explained to us, the transactions exceeding to ` 5,00,000/- or more during the year have been entered in the register maintained under section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
9. In respect of statutory dues:
  - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales tax, Wealth tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2012 for a period of more than six months from the date of becoming payable.
  - b. According to the records of the company, there are no dues of sale tax, income tax, custom duty, wealth tax, excise duty or cess have not been deposited on account of any dispute.
10. The company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. The Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the Company in its own name.
15. As per information and explanations given to us, the company has not given guarantee for loans taken by others from banks or financial institutions.

16. In our opinion and according to the information and explanation given to us, the term loans were utilised for the purposes for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, no funds raised on short term basis have been used for long term investment. Similarly, no funds raised on long term basis have been used for short term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year. Hence the requirement of Clause (xix) of paragraph 4 of the order is not applicable to the company.
20. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For A. K. VAISH & Co.  
Chartered Accountants

Place : New Delhi  
Dated : 05.09.2012

A. K. VAISH  
PROPRIETOR  
Membership No.71088

**BALANCE SHEET AS AT 31 MARCH, 2012**

	Particulars	Note No.	As at	As at
			31 March, 2012	31 March, 2011
			₹	₹
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	Share capital	3	163,303,570	163,303,570
	Reserves and surplus	4	528,476,145	498,871,805
<b>2</b>	<b>Non-current liabilities</b>			
	Long-term borrowings	5	77,325,598	85,227,340
	Deferred tax liabilities (net)		37,393,549	36,248,242
	(Refer Note-2 item 2g of notes of accounts)			
<b>3</b>	<b>Current liabilities</b>			
	Short-term borrowings	6	199,104,502	161,620,907
	Trade payables	7	129,738,349	124,154,568
	Other current liabilities	8	75,026,477	84,327,920
	Short-term provisions	9	519,063	337,877
	<b>TOTAL</b>		<b>1,210,887,253</b>	<b>1,154,092,229</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	Fixed assets	10		
	Tangible assets		315,888,493	311,399,879
	Intangible assets		-	-
	Capital work-in-progress		9,548,363	16,451,202
<b>2</b>	<b>Current assets</b>			
	Current investments	11	91,306,315	169,377,213
	Inventories	12	141,219,849	75,439,375
	Trade receivables	13	472,006,202	396,809,781
	Cash and cash equivalents	14	16,479,918	25,738,569
	Short-term loans and advances	15	164,438,113	158,876,210
	<b>TOTAL</b>		<b>1,210,887,253</b>	<b>1,154,092,229</b>
	<b>General Information</b>	1		
	<b>Significant Accounting Policies</b>			
	<b>&amp; Notes on Accounts</b>	2		

As per our report of even date attached  
For A.K. Vaish & Co.

For and on behalf of the Board of Directors

Chartered Accountants

Sd/-

A.K. Vaish  
Proprietor  
Membership No. 71088

Sd/-  
(Managing Director)  
K. K. Rathi

Sd/-  
(Whole Time Director)  
Anupam Rathi

Place : New Delhi  
Date : 05.09.2012



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012**

Particulars		Note No.	Year Ended 31 March, 2012 ₹	Year Ended 31 March, 2011 ₹
1	Revenue from operations	16	3,116,802,693	2,106,681,318
	Less: Excise duty		293,064,242	192,481,220
	Revenue from operations (net)		<b>2,823,738,451</b>	<b>1,914,200,098</b>
2	Other income	17	10,662,667	9,719,100
3	<b>Total revenue</b>	<b>(1+2)</b>	<b>2,834,401,118</b>	<b>1,923,919,198</b>
4	<b>Expenses</b>			
	Purchases of stock-in-trade		2,453,371	811,635
	Cost of materials consumed	18	2,418,888,986	1,460,722,488
	Changes in inventories	19	(63,566,027)	29,841,957
	Employee benefits expenses	20	37,582,483	35,385,598
	Finance costs	21	28,136,049	22,477,457
	Other expenses	22	359,452,218	305,649,360
	Depreciation expense		20,473,096	21,576,894
5	<b>Total expenses</b>		<b>2,803,420,176</b>	<b>1,876,465,389</b>
6	<b>Profit / (Loss) before tax</b>	<b>(3-5)</b>	30,980,942	47,453,809
7	<b>Tax expenses:</b>			
	Current tax expense for current year		6,160,000	5,005,000
	Wealth Tax		49,376	38,967
	(Less): MAT credit		(5,978,081)	(4,506,583)
	Deferred tax (Refer Note-2 item 2g of notes of accounts)		1,145,307	(1,289,309)
8	<b>Total tax expenses</b>		<b>1,376,602</b>	<b>(751,925)</b>
9	<b>Profit / (Loss) for the year</b>	<b>(6-8)</b>	<b>29,604,340</b>	<b>48,205,734</b>
	<b>Earnings per share (of ₹ 10/- each):</b>			
	Basic and Diluted		1.81	2.95
	<b>General Information</b>	1		
	<b>Significant Accounting Policies</b>			
	<b>&amp; Notes on Accounts</b>	2		

As per our report of even date attached  
For A.K. Vaish & Co.

For and on behalf of the Board of Directors

Chartered Accountants

Sd/-

A.K. Vaish  
Proprietor  
Membership No. 71088

Place : New Delhi  
Date : 05.09.2012

Sd/-

(Managing Director)  
K. K. Rathi

Sd/-

(Whole Time Director)  
Anupam Rathi

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

S.No.	Particulars	Year Ended 31 March, 2012 (₹ in Lacs)	Year Ended 31 March, 2011 (₹ in Lacs)
<b>A</b>	<b>Cash Flow from operating activities:</b>		
	Profit Before Taxation	309.81	474.54
	<b>Adjustments for:</b>		
	Depreciation	204.73	215.77
	Interest and Financial Charges	281.36	224.77
	Loss/(Profit) on Mutual Fund	(19.60)	(26.73)
	Interest Income & Others	(72.51)	(12.63)
	Dividend Income	(0.23)	(2.01)
	<b>Operating Profit before working capital changes</b>	<b>703.56</b>	<b>873.71</b>
	Decreased/(Increase) in Trade Receivables	(751.96)	(937.32)
	Decreased/(Increase) in Inventories	(657.81)	297.57
	Decreased/(Increase) in Loan & Advances	4.16	22.94
	Increase/(Decrease) in Current Liabilities and Provisions	(35.37)	155.65
	<b>Cash Generated from operations</b>	<b>(737.42)</b>	<b>412.55</b>
	Income Tax paid	(62.09)	(50.44)
	<b>Net cash provided by operating activities</b>	<b>(799.51)</b>	<b>362.11</b>
<b>B</b>	<b>Cash flow from investing activities:</b>		
	Proceeds from sale of fixed assets	9.14	24.15
	Purchase of Investments	780.71	161.94
	Purchase of Fixed assets and Capital Work in Progress	(189.73)	(292.95)
	Loss/(Profit) on Mutual Fund	19.60	26.73
	Income from Interest	72.51	12.63
	Income from Dividend	0.23	2.01
	<b>Net cash used in investing activities</b>	<b>692.46</b>	<b>(65.49)</b>
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	Increase in Long Term Borrowing (Net)	362.54	151.47
	Increase (Decrease) in Unsecured Loan	(66.72)	0.00
	Interest Paid	(281.36)	(224.77)
	<b>Net Cash used in Financing Activities</b>	<b>14.46</b>	<b>(73.30)</b>
<b>D</b>	<b>Net increase /(decrease) in cash and cash equivalents</b>	<b>(92.59)</b>	<b>223.32</b>
<b>E</b>	<b>Cash and Cash Equivalent at the begning of the year</b>	<b>257.39</b>	<b>34.07</b>
<b>F</b>	<b>Cash and Cash Equivalent at the end of the year</b>	<b>164.80</b>	<b>257.39</b>

For and on behalf of the Board of Directors

Sd/-

A.K.Vaish

Proprietor

Membership No. 71088

Place : New Delhi

Sd/-

(Managing Director)

K. K. Rathi

Sd/-

(Whole Time Director)

Anupam Rathi

## RATHI BARS LIMITED

### **NOTE-1**

#### **General Information**

Rathi Bars Limited, a steel rolling mill, was set-up at Khushkhera, Rajasthan with a view to meet the growing requirement of reinforcement steel bars for construction. The company is engaged in the manufacturing of reinforcement steel bars (TMT) & Low Carbon Billets.

### **NOTE-2**

#### **SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS:**

##### **1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:**

###### **a. Basis of Accounting:**

Accounts have been prepared under the historical cost convention, in accordance with applicable mandatory accounting standards issued by the institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

###### **b. Revenue Recognition:**

The company follows the accrual system of accounting to recognise income and expenditure.

###### **c. Fixed Assets:**

All fixed assets are valued at cost (net of CENVAT, wherever applicable) less depreciation. Cost is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use.

###### **d. Expenditure During Construction Period:**

Expenditure incurred on projects during implementation is capitalized and apportioned to various assets on commissioning of the project.

###### **e. Depreciation:**

Depreciation has been provided on Written Down Value Method on all assets of the company except the new plant and machinery installed under Equipment Re-finance Scheme and afterwards & Vehicles, which are on straight line method.

###### **f. Investments:**

- (i) Long Term Investments are stated at cost.
- (ii) Current Investments are stated at lower of cost and fair value.

###### **g. Inventories:**

Raw Material and Stores & Spares Parts are valued at cost. Finished goods are valued at cost of production or market value, whichever is less. Scrap is valued at net realization value.

###### **h. Retirement and other Employee Benefits:**

###### **i) Defined Contribution Plan**

The company makes defined contribution to provident fund is recognized in the profit & loss account on accrual basis.

**ii) Defined Benefit Plan**

The company's liabilities under payment of Gratuity Act is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

**i. Taxation:**

Tax expense comprises of current and deferred tax

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

The deferred tax for timing difference between the books and tax profits for the year is accounted for, using the tax rates and laws have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing difference are recognized to the extent there is reasonable certainty that these would be realized in future.

Deferred tax assets in case of unabsorbed losses and unabsorbed depreciation are recognized only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits

**j. Excise Duty and Cenvat:**

Liability towards excise duty on the finished goods is accounted for as and when the goods are cleared from the factory premises and Cenvat benefit is accounted for by reducing the purchase cost of the materials/capital goods.

**k. Sales/Turnover:**

Sales/Turnover includes Sales Value of goods and Excise Duty.

**l. Miscellaneous Expenditure:**

The non-allocable deferred revenue expenditures are being written off during the year.

**m. Contingent Liabilities:**

Contingent Liabilities are not provided for and are disclosed by way of notes.

**2. Notes on Accounts:**

- a. The Company has provided liabilities on account of Defined Benefit Obligation on the basis of actuarial valuation as given by actuarial valuer, detailed disclosure in terms of AS-15 (Revised) could not be made. However, in the opinion of the management, the amount is not material and defined benefit obligation has been provided.

**b. Current Liabilities & Provisions:**

- i) Sundry creditors includes ₹ 9.28 lacs (31<sup>st</sup> March, 2011: ₹ 9.86 lacs) due to Small Scale Industrial Undertakings (SSI Units) as identified by the Company and relied upon by the auditors.
- ii) The company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

**c. Payment to Auditors in respect of:**

	Year ended on 31 <sup>st</sup> March, 2012	Year ended on 31 <sup>st</sup> March, 2011
i Audit Fees	₹ 1,20,000.00	₹ 95,000.00
ii Fee for Limited Review	₹ 20,000.00	₹ 20,000.00
iii Out of Pocket Expenses	₹ 10,000.00	₹ 10,000.00

**d. Expenditure in Foreign Currency:**

	Year ended on 31 <sup>st</sup> March, 2012	Year ended on 31 <sup>st</sup> March, 2011
Traveling	₹ 1,30,719.00	₹ Nil

**e. Earning Per Share (EPS):**

	Year ended on 31 <sup>st</sup> March, 2012
i Profit after taxation as per Profit and Loss Account (in ₹)	2,96,04,340.00
ii Weighted Average number of equity shares outstanding	1,63,30,357.00
iii Basic and Diluted earnings per share (in ₹)	1.81

**f. Related Party Disclosures, as required in terms of Accounting Standard (AS-18) are given below (₹ In Lacs)**

A. List of Related Parties	Purchase of Goods	Sale of Goods	Remuneration / Salary	Inter-corporate Deposits Taken	Refund of Inter-corporate Deposits Taken
<b>1 Key Managerial Personnel</b>					
a Mr. Kamlesh Kumar Rathi (Managing Director)	--	--	30.00	--	--
b Mr. Anupam Rathi (Director)	--	--	19.80	--	--
c Mr. Anurag Rathi (Director)	--	--	19.80	--	--
<b>2 Relatives of Key Managerial Personnel</b>					
a Mrs. Pushpa Rathi	--	--	5.76	--	--
b Mrs. Parnika Rathi	--	--	5.40	--	--
c Mrs. Nandita Rathi	--	--	5.40	--	--
<b>3 Companies / Associates in which the Key Managerial Personnel and/or their relatives exercise significant influence</b>					
a M/s Rathi Special Steels Ltd.	722.51	3040.04	--	--	--

**g. Break-up of deferred Tax Asset is given as under:**

Particulars	As on 31.03.2012 (Amt. in ₹)	As on 31.03.2011 (Amt. in ₹)
Depreciation	4,52,65,240	4,03,23,030
Carried Forward unabsorbed depreciation & Losses	78,71,691	40,74,788
	<u>3,73,93,549</u>	<u>3,62,48,242</u>
Increase in Deferred Tax Liabilities		11,45,307

h. Market value of Investment in Quoted Equity Shares ₹ 24,27,915.00 (Previous Year: ₹ 29,52,337.00)

**i. Contingent liabilities not provided for:**

Claims against the Company not acknowledged as debts (to the extent ascertained) in respect of various demands etc. raised, which in the opinion of the management are not tenable are under appeal at various stages:

	Current Year (₹)	Previous Year (₹)
Excise Duty cases	10,84,471	6,71,475
	<u>10,84,471</u>	<u>6,71,475</u>

j. The figures of previous year have been re-arranged/re-grouped wherever felt necessary.

**3. QUANTITATIVE INFORMATION:**
**A. PRODUCTION & PURCHASE**

Particulars	As at 31.03.2012	As at 31.03.2011
1. Licensed Capacity CTD/TMT Bars	100000.000 MT	100000.000 MT
ingot	68500.000 MT	68500.000 MT
2. Actual Production & Purchase		
Steel Bars	68943.260 MT	57131.230 MT
Ingot	32513.370 MT	33133.475 MT
<b>TOTAL</b>	<u>101456.630 MT</u>	<u>90264.705 MT</u>
*68943.260 M.T. Includes 60.260 M.T. Trading Purchase of Steel Bars (Previous Year: 25.560 M.T.)		

**B. STOCKS**

Particulars	Opening Stock				Closing Stock			
	As at 01.04.2011		As at 01.04.2010		As at 31.03.2012		As at 31.03.2011	
	QTY. (IN MT)	AMOUNT (IN ₹)	QTY. (IN MT)	AMOUNT (IN ₹)	QTY. (IN MT)	AMOUNT (IN ₹)	QTY. (IN MT)	AMOUNT (IN ₹)
Steel Bars	876.340	28134914	1978.850	56151408	1376.165	54055667	876.340	28134914
Ingot	375.480	9429805	515.140	11996065	1395.030	46681889	375.480	9429805
<b>TOTAL</b>	<u>1251.820</u>	<u>37564719</u>	<u>2493.990</u>	<u>68147473</u>	<u>2771.195</u>	<u>100737556</u>	<u>1251.820</u>	<u>37564719</u>

## Rathi Bars Limited

### C. DESPATCH

Particulars	As at 31.03.2012		As at 31.03.2011	
	QTY. (in MT)	AMOUNT (in ₹)	QTY. (in MT)	AMOUNT (in ₹)
Steel Bars*	68443.435	2810548386	58233.740	1983732856
Ingot**	31493.820	296708053	33273.135	84093691
Scrap, Commission etc		9546254		38854771
	99937.255	3116802693	91506.875	2106681318

\* 68443.435 M.T. Includes 60.260 M.T. Trading Sale of Steel Bars (Previous Year: 25.560 M.T.)

\*\* 31493.820 M.T. Includes 23475.000 M.T. Used For Production of Steel Bars (Previous Year: 30350.000 M.T.)

### D. CONSUMPTION

Particulars	As at 31.03.2012		As at 31.03.2011	
	QTY. (IN MT)	AMOUNT (IN ₹)	QTY. (IN MT)	AMOUNT (IN ₹)
Ingots*	75401.816	1578113466	63221.484	840452293
Scrap/Sponge Iron**	39567.745	840775520	39494.547	620270195
Stores & Spares		56561617		51722014
TOTAL	114969.561	2475450603	102716.031	1512444502

Note : All Raw Material, Stores & Spares are indigenous.

\* 75401.816 MT Includes 25175.000 MT used as captive consumption (Previous Year 30350.000 MT)

\*\* 39567.745 MT Includes 3280.390 MT used as captive consumption (Previous Year 2095.000 MT)

### Note (3)

#### Share Capital

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) <b>Authorised Share Capital</b>		
1,80,00,000 Equity Shares of ₹ 10 each	180,000,000	180,000,000
(Previous Year : 1,80,00,000 Equity Shares of ₹10 each)		
(b) <b>Issued, Subscribed &amp; Paid-up</b>		
1,63,30,357 Equity Shares (Previous Year : 1,63,30,357	163,303,570	163,303,570
Equity Shares) of ₹ 10 each Called-up and Fully Paid-up.		
	<b>163,303,570</b>	<b>163,303,570</b>

**Terms / rights attached to equity shares :** The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of the equity share is entitled to one vote per share.

**Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company :** Mr. Anurag Rathi is holding 6.40% (10,45,649 equity shares) of the aggregate shares in the company (Previous year : 6.40%, 10,45,649 equity shares)

## Note (4)

**RESERVES & SURPLUS**

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
<b>RESERVES &amp; SURPLUS</b>		
a Profit & loss account		
Opening Balance	317,741,443	269,535,709
Add- Surplus as per Profit & loss A/C	29,604,340	48,205,734
	<b>347,345,783</b>	<b>317,741,443</b>
b Share Securities Amount	178,571,425	178,571,425
c Reserve for deferred taxes	2,558,937	2,558,937
	<b>528,476,145</b>	<b>498,871,805</b>

## Note (5)

**Long Term Borrowing**

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
<b>a Term Loan</b>		
Rajasthan State Industrial Development & Investment Corporation Ltd., Jaipur.(Against hypothecation of land, Building, Plant & Machineries on parri passu basis with State Bank of Bikaner & Jaipur , New Delhi & guaranteed by Executive Directors)	26,680,000	17,770,000
State Bank of Bikaner & Jaipur, New Delhi.( Against hypothecation of land, Building, Plant & Machineries on parri passu basis with Rajasthan State Industrial Development & Investment Corporation Ltd., Jaipur, & guaranteed by Executive Directors	2,356,286	8,647,019
<b>b Automobile Loans (Secured by Hypothecation of relevent Vehicle)</b>		
HDFC Bank	4,604,876	7,598,666
Tata Capital Ltd.	-	72,581
Kotak Mahindra Bank Ltd.	262,873	874,014
ICICI Bank Ltd.	1,144,819	1,316,316
<b>c Unsecured Loans (Interest Free)</b>		
Body Corporates & Directors	16,608,000	16,608,000
Security deposits	25,668,744	32,340,744
	<b>77,325,598</b>	<b>85,227,340</b>



**Note (6)**
**Short-term borrowings (working capital limits)**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
<b>Short-term borrowings (working capital limits)</b>		
State Bank of Bikaner & Jaipur, New Delhi (Secured by hypothecation of stock & Book debts and Guaranteed by Executive Directors)	199,104,502	161,620,907
	<u>199,104,502</u>	<u>161,620,907</u>

**Note (7)**
**Trade payables**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
<b>Trade payables</b>	129,738,349	124,154,568
See Notes on Accounts- , Note-2, item 2b ( i )	<u>129,738,349</u>	<u>124,154,568</u>

**Note (8)**
**Other current liabilities**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
<b>Other current liabilities</b>		
Advance received from customers	38,208,153	44,939,206
Interest accrued but not due for Payment	548,766	333,853
Statutory dues (including provident fund and tax deducted at source)	34,082,450	37,543,156
Unclaimed share application money refunds	189,980	189,980
Other payables (including employee dues)	1,997,128	1,321,725
	<u>75,026,477</u>	<u>84,327,920</u>

**Note (9)**
**Short-term provisions**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	₹	₹
<b>Short-term provisions</b>		
Provision for Leave Encashment	79,185	50,562
Provision for Gratuity	439,878	287,315
	<u>519,063</u>	<u>337,877</u>

**RATHI BARS LIMITED**

**Note-10**

**Fixed Assets**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Addition	Deletion	As at 31.03.2012	Up to 31.03.2011	Addition	Deduction	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Leashold Land	3,921,141	-	-	3,921,141	-	-	-	-	3,921,141	3,921,141
Building	41,500,587	1,749,568	-	43,250,155	11,714,916	1,366,277	-	13,081,193	30,168,962	29,785,671
Plant & Machinery	388,753,017	24,014,912	-	412,767,929	128,022,990	17,088,741	-	145,111,731	267,656,198	260,730,027
Tubewell	222,080	-	-	222,080	175,888	4,619	-	180,507	41,573	46,192
Furniture	466,639	29,432	-	496,071	308,086	37,489	-	345,575	150,496	158,553
Vehicle	21,521,862	81,975	1,385,612	20,218,225	4,763,567	1,975,970	471,435	6,268,102	13,950,123	16,758,295
	456,385,326	25,875,887	1,385,612	480,875,601	144,985,447	20,473,096	471,435	164,987,108	315,888,493	311,399,879
CWIP	16,451,202	16,439,864	23,342,703	9,548,363	-	-	-	-	9,548,363	16,451,202
Total	472,836,528	42,315,751	24,728,315	490,423,964	144,985,447	20,473,096	471,435	164,987,108	325,436,856	327,851,081
Previous Year	447,662,980	38,677,505	13,503,957	472,836,528	125,114,925	21,576,894	1,706,372	144,985,447	327,851,081	333,019,988

**Note (11)  
Current investments**

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
<b>Current investments</b>		
<b>Trade, Quoted:</b>		
Equity shares	5,418,658	5,418,658
<b>Non Trade, Unquoted:</b>		
a <b>Govt. Securities</b>		
National Saving Certificates	6,045	6,045
b <b>Others</b>		
Mutual Funds	85,881,612	163,952,510
	<b>91,306,315</b>	<b>169,377,213</b>

**Note (12)  
Inventories**

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
<b>Inventories</b>		
Finished goods	100,737,556	37,564,719
Raw material	33,046,788	33,837,716
Stores & spares	4,078,200	1,072,825
Scrap	3,357,305	2,964,115
	<b>141,219,849</b>	<b>75,439,375</b>

**Note (13)  
Trade receivables**

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
<b>Trade receivables (Unsecured and considered good unless stated otherwise)</b>		
Outstanding for a period exceeding six months from the due date	17,820,650	27,368,217
Other receivables	454,185,552	369,441,564
	<b>472,006,202</b>	<b>396,809,781</b>

**Note (14)  
Cash and cash equivalents**

Particulars	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
<b>Cash and cash equivalents</b>		
a Cash in hand	1,707,071	1,369,827
b Balances with scheduled banks in current accounts in current account	13,187,101	22,887,848
Unclaimed share application money	189,980	189,980
b Others (Fixed Deposit -Margin Money for LC)	1,395,766	1,290,914
	<b>16,479,918</b>	<b>25,738,569</b>

**Note (15)****Short-term loans and advances**

<b>Particulars</b>		<b>As at 31 March, 2012</b>	<b>As at 31 March, 2011</b>
		<b>₹</b>	<b>₹</b>
<b>Short-term loans and advances (Unsecured and considered good unless stated otherwise).</b>			
<b>a</b>	Advance recoverable in cash or in kind	90,470,696	75,541,577
<b>b</b>	Balance with excise and other statutory authorities		
	Advance Tax & TDS	25,551,370	19,229,662
	Cenvat Credit Receivable	2,470,897	2,259,787
	Service Tax credit receivable	572,195	3,272,243
	Entry Tax Receivable	1,704,374	1,704,374
	MAT Credit Entitlement	13,610,527	7,632,446
	VAT Credit Receivable	4,824,940	25,289,207
<b>c</b>	Security deposits	25,233,114	23,946,914
		<b>164,438,113</b>	<b>158,876,210</b>

**Note (16)****Revenue from operations**

<b>Particulars</b>		<b>Year 2011-2012</b>	<b>Year 2010-2011</b>
		<b>₹</b>	<b>₹</b>
<b>Revenue from operations</b>			
	Sale of Steel Bars	2,810,548,386	1,983,732,856
	Sale of Ingots / Billets	296,708,053	84,093,691
	Other operating revenues	9,546,254	38,854,771
		<b>3,116,802,693</b>	<b>2,106,681,318</b>

**Note (17)****Other income**

<b>Particulars</b>		<b>Year 2011-2012</b>	<b>Year 2010-2011</b>
		<b>₹</b>	<b>₹</b>
<b>Other income</b>			
	Interest received on deposits	7,250,873	1,263,364
	Miscellaneous Receipts	747,501	580,311
	Net gain on sale of current investments	2,664,293	7,875,425
		<b>10,662,667</b>	<b>9,719,100</b>

**Note (18)**
**Cost of materials consumed**

Particulars		Year 2011-2012 ₹	Year 2010-2011 ₹
<b>Cost of materials consumed</b>			
a	<b>Ingots / Billets</b>		
	Opening stock	15,493,368	20,152,283
	Add: Purchases	1,581,506,299	835,793,378
	Less: Closing stock	18,886,201	15,493,368
	<b>material consumed</b>	(I) <b>1,578,113,466</b>	<b>840,452,293</b>
b	<b>Scrap / Sponge Iron</b>		
	Opening stock	18,344,348	12,479,859
	Add: Purchases	836,591,759	626,134,684
	Less: Closing stock	14,160,587	18,344,348
	<b>material consumed</b>	(II) <b>840,775,520</b>	<b>620,270,195</b>
	<b>Total Material Consumed</b>	(I + II) <b>2,418,888,986</b>	<b>1,460,722,488</b>

**Note (19)**
**Changes in inventories of finished goods and Scrap**

Particulars		Year 2011-2012 ₹	Year 2010-2011 ₹
<b>Changes in inventories of finished goods and Scrap</b>			
a	<b>OPENING STOCK</b>		
	Finished goods	37,564,719	68,147,473
	Scrap	2,964,115	2,223,318
		(I) <b>40,528,834</b>	<b>70,370,791</b>
b	<b>CLOSING STOCK</b>		
	Finished goods	100,737,556	37,564,719
	Scrap	3,357,305	2,964,115
		(II) <b>104,094,861</b>	<b>40,528,834</b>
c	<b>(Increase) / Decrease in stocks</b>	(I - II) <b>(63,566,027)</b>	<b>29,841,957</b>

**Note (20)**
**Employee benefits expense**

Particulars		Year 2011-2012 ₹	Year 2010-2011 ₹
<b>Employee benefits expense</b>			
a	contribution to provident fund and other funds	425,121	288,906
b	Employees welfare	805,588	1,411,638
c	Production contract wages	28,059,542	25,526,734
d	Salaries, wages, bonus & other allowances	8,292,232	8,158,320
		<b>37,582,483</b>	<b>35,385,598</b>

**Note (21)**  
**Finance costs**

Particulars	Year 2011-2012 ₹	Year 2010-2011 ₹
<b>Finance costs</b>		
Interest on :		
Cash Credit	21,790,259	16,220,107
Term Loan	4,982,675	4,750,135
Others	450,222	479,000
Bank Charges	912,893	1,028,215
	<b>28,136,049</b>	<b>22,477,457</b>

**Note (22)**  
**Other expenses**

Particulars	Year 2011-2012 ₹	Year 2010-2011 ₹
<b>Other expenses</b>		
Administrative charges	81,809	78,185
Advertisement & Selling Expenses	294,714	244,647
Auditor's fees	150,000	125,000
Books & periodicals	3,825	11,820
Directors salary	6,960,000	6,960,000
Donation	488,750	55,200
Freight & cartage and consignment expenses	11,324,119	9,624,643
General expenses	1,630,812	1,663,692
Generator Running Expenses	1,227,846	919,720
Increase / (decrease) of excise duty on inventory	3,411,550	(2,547,050)
Insurance	991,099	723,260
Keyman insurance policy	1,370,761	1,371,683
Legal & professional charges	2,538,473	2,047,107
Listing Expenses	126,600	118,056
Loss on sale of Vehicles	385,289	1,310,610
Postage expenses	125,128	123,628
Power and Fuel	258,084,443	220,351,656
Printing & stationery	699,403	465,438
Rates, taxes & fees	1,450,838	1,377,277
Rent	90,000	108,000
Repair and Maintenance:		
Plant & Machinery	1,203,708	19,381
Buildings	130,447	120,025
Others	1,077,768	496,806
Royalty	417,840	417,840
Sales Promotion	214,252	218,381
Security service charges	759,047	525,292
Security Transaction Tax	-	67,730
Stores and Spares Consumed	56,561,617	51,722,014
Telephone expenses	1,076,593	1,132,216
Travelling & conveyance	3,693,821	2,107,254
Vehicles repair & maintenance	2,881,666	3,689,849
	<b>359,452,218</b>	<b>305,649,360</b>

For A.K. VAISH & Co.  
Chartered Accountants  
Sd/-  
A.K. VAISH  
PROPRIETOR  
Membership No. 71088

Place : New Delhi  
Date : 05.09.2012

For and on BEHALF OF THE BOARD OF DIRECTORS

Sd/-  
(MANAGING DIRECTOR)  
K. K. Rathi

Sd/-  
(WHOLE TIME DIRECTOR)  
Anupam Rathi

**RATHI BARS LIMITED**

A-24/7, Mohan Co-operative Industrial Estate, New Delhi-110044

Attendance Slip

DP ID	
Client ID	

Folio No.	
No. of Equity Shares Held	

I hereby record my presence at the 19<sup>th</sup> Annual General Meeting of the Company being held at the A-24/7, Mohan Co-operative Industrial Estate, New Delhi-110044 on **Saturday, 29<sup>th</sup> day of September, 2012 at 10.00 A. M.**

Name of Shareholder
Name of the proxy-holder/ Authorized Representative (in block letters)

Signature of the Shareholder/Proxy/Authorized Representative

- Note:
1. A member/proxy/authorized representative wishing to attend the meeting must complete this Attendance Slip before coming to the Meeting and hand it over at the entrance.
  2. If you intend to appoint a proxy, please complete, stamp, sign and deposit the Proxy Form given below at the Company's Registered Office at least 48 hours before the meeting.

Proxy Form

19<sup>th</sup> AGM**RATHI BARS LIMITED**

A-24/7, Mohan Co-operative Industrial Estate, New Delhi-110044

I/We -----  
 of -----being a member/members of Rathi Bars Ltd. hereby  
 appoint:  
 Shri/Smt./Km.----- of -----  
 or failing him Shri/Smt./Km.----- of -----  
 or failing him Shri/Smt./Km.----- of -----  
 as my/our proxy in my/our absence to attend and vote for me/our behalf at the 18<sup>th</sup> Annual General Meeting of the Company  
 to be held on the **Saturday, 29<sup>th</sup> day of September, 2012 at 10.00 A. M.**  
 Signed this ----- day of ----- 2012.

Folio No.	
No. of Equity Shares Held	

DP ID	
Client ID	

Signature (s).....

Revenue Stamp
------------------

**Note:** The proxy, in order to be affective, should be duly completed, stamped and signed and must be submitted at the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.

*if undelivered please return to*

**RATHI BARS LIMITED**

A-24/7, Mohan Co-op. Industrial Estate  
New Delhi-110044