



20th Annual Report 2012-2013

RATHI BARS LIMITED

(AN ISO 9001-2008 COMPANY)

BOARD OF DIRECTORS	Sh. Kamlesh Kumar Rathi Sh. Anupam Rathi Sh. Anurag Rathi Sh. Harkishore Kejriwal Sh. Ashok Kumar Garg Sh. Binod Kumar Maheshwari
AUDITORS	M/s A. K. Vaish & Co. (Chartered Accountants) B-101, Gateway Towers, 24, Sector-IV, Vaishali, Distt. Ghaziabad (U.P.)
BANKERS	State Bank of Bikaner & Jaipur A-1/19, Safdarjung Enclave, New Delhi-110029
REGISTERED OFFICE	A-24/7, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi-110044 Ph:011-43165400 Fax: 011-41679787 Email: contact@rathisteels.com
WORK OFFICE	SP1,-7, RIICO Industrial Area, Khushkhera, P.O. Tapukra, Distt. Alwar, Rajasthan Ph.: 01493-518836
REGISTRAR & SHARE TRANSFER AGENT	M/s MAS Services Limited, T-34, Second Floor, Okhla Industrial Area, Phase II, New Delhi-110020 Ph: 011-26387281, 82, 83

NOTICE

NOTICE is hereby given that Twentieth Annual General Meeting of the Members of **M/S RATHI BARS LIMITED** will be held on Monday, **30th day of September, 2013 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, 2013 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 31st March, 2013, 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 though fit, to pass, with or without modifications, if any, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Ashok Kumar Garg, 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 though fit, to pass, with or without modifications, if any, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Binod Kumar Maheshwari, 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 though 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".

By order of the Board of Directors
FOR RATHI BARS LIMITED

Place: New Delhi

Date: 4th September, 2013

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 24th September, 2013 to 30th September, 2013 (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

Date: 4th September, 2013

Sd/-
(Managing Director)

DIRECTOR'S REPORT

Your Directors have pleasure in presenting the Twentieth Annual Report of your Company together with the Audited Accounts for the year ended March 31, 2013.

(Rupees in Lakhs)

FINANCIAL RESULTS

	Year 2012-2013	Year 2011-2012
Income from Operations	31498.57	31168.03
Profit before Interest, Depreciation and Tax	893.25	795.90
Depreciation	218.70	204.73
Interest	353.09	281.36
Profit before Tax (PBT)	321.46	309.81
Profit after Tax (PAT)	214.18	296.04

REVIEW OF OPERATIONS AND FUTURE OUTLOOK

The Company has made a profit of Rs. 214.18 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 Ashok Kumar Garg & Shri Binod Kumar Maheshwari, 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 68523.150 MT Steel Bars and 33607.355 MT Ingots/ Billets as against production of 68943.260 MT Steel Bars and 32513.370 MT ingots / Billets 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' along with 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 2013-2014.

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 is using best technology available for conservation of energy and 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 4,21,24,123 units of Electricity and 1,50,624.596 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, 45, 320.00

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

Place: New Delhi

Date: 4th September, 2013

Sd/-
Kamlesh Kumar Rathi
(Managing Director)

Sd/-
Anupam Rathi
(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, 2013 as envisaged in Clause 49 of the Listing Agreement with Stock Exchange.

Place: New Delhi
Date: 04.09.2013

Sd/-
Kamlesh Kumar Rathi
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.

By order of the Board of Directors
FOR RATHI BARS LIMITED

Place: New Delhi
Date: 4th September, 2013

Sd/-
Kamlesh Kumar Rathi
(Managing Director)

Sd/-
Anupam Rathi
(Whole Time 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 2012-2013. 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 31st March, 2013 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 31st March 2013 is as follows:

Name	Designation	Executive / Non-executive / Independent
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 2012-13 on 15th May 2012, 14th August 2012, 5th September, 2012, 12th November, 2012, and 13th February 2013. 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	Attendance 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	5	Nil	Nil
2	Sh. Anupam Rathi	5	YES	6	Nil	Nil
3	Sh. Anurag Rathi	5	YES	9	Nil	Nil
4	Sh. Harkishore Kejriwal	5	No	1	Nil	Nil
5	Sh. Ashok Kumar Garg	5	No	6	Nil	Nil
6	Sh. Binod Kumar Maheshwari	2	No	10	Nil	Nil

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

Shri Ashok Kumar Garg & Shri Binod Kumar Maheshwari, being the Independent non-executive Directors, of the Company & has been on the Board of the Company since January 2007. They have made valuable contribution to the Board through their vast experience. Shri Kamlesh Kumar Rathi, is the Managing Director of the company and take care of overall administration of the company, Shri Anupam Rathi and Shri Anurag Rathi, are the whole time directors of the company and are the in-charge of the operations of the Factory and looks after production and Purchase/Sale of the Company.

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. 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 Rs. 2, 00, 000/- w. e. f. 01.04.2012. Details of remuneration (P.A.) to whole time Directors are as follow:

S. No.	Name of the Director	Amount (in Rs. Lakhs) As on 31.03.2013
1.	Mr. Anupam Rathi (Whole Time Director)	24.00
2.	Mr. Anurag Rathi (Whole Time Director)	24.00

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 and resolved two complaints during the year.

6. GENERAL BODY MEETINGS

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

For the Year	Location	Day and Date	Time	No.Of Special Resolutions passed
2011-2012 (AGM)	A-24/7, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-110044	Saturday, 29th September, 2012	10.:00 AM	Nil
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

The Company's shareholders through postal ballot have passed no resolution during the Financial Year 2012-13 and there is no resolution proposed to be passed through postal ballot in the ensuing Annual General Meeting.

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: Monday, 30th September, 2013 at 10.00 A. M.
 -Venue: A-24/7, Mohan Co-operative Industrial Estate,
 New Delhi-110044

Financial Calendar

Financial Year : 01st April, 2012 to 31st March, 2013

First Quarter Results : 14th August, 2012

Second Quarter Results: 12th November, 2012

Third Quarter Results: 13th February, 2013

Fourth Quarter Results: 30th May, 2013

Annual General Meeting
 for the year ending

March 31, 2012: 29th September, 2012

Dividend Payment Date: NA

Listing on Stock Exchanges **Bombay Stock Exchange Ltd.**
Floor 25, P J Towers, Dalal Street,
Mumbai-400 001

Market Price Data			Market Price Data		
Bombay Stock Exchange			Bombay Stock Exchange		
Month	High(Rs.)	Low(Rs.)	Month	High(Rs.)	Low(Rs.)
April, 12	05.99	05.25	Oct, 12	05.65	04.50
May, 12	05.82	04.90	Nov, 12	06.08	04.61
June, 12	05.75	04.27	Dec, 12	05.90	05.10
July, 12	06.15	04.70	Jan, 13	05.78	04.92
Aug, 12	05.98	04.07	Feb, 13	05.48	03.67
Sept, 12	05.30	04.55	Mar, 13	04.86	03.16

10. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2013

SHAREHOLDING	NO. OF SHARE-HOLDERS	%AGE	NO.OF SHARES	%AGE
Upto-5000	6817	71.55	1436899	8.80
5001-10000	1456	15.28	1098917	6.73
10001-20000	821	8.62	1158259	7.09
20001-30000	168	1.76	429527	2.63
30001-40000	75	0.79	271007	1.66
40001-50000	41	0.43	195987	1.20
50001-100000	73	0.76	533634	3.27
100001-Above	77	0.81	11206127	68.62
TOTAL	9528	100.00	16330357	100.00

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:

- The Registrar & Transfer Agent -
M/s MAS Services Limited,
T-34, Second Floor, Okhla Industrial Area,
Phase II New Delhi-110020.
OR
- The Company -
M/s Rathi Bars Limited,
A-24/7, Mohan Cooperative Industrial Estate,
Mathura Road, New Delhi-110044.

MANAGEMENT DISCUSSION AND ANALYSIS**GLOBAL AND INDIAN ECONOMIC SCENARIO**

While global industrial production in 2012 dropped to its lowest level since 2009, global steel production reached a record high of 1.55 billion tones, up by 1.2 % as compared to 2011. Global steelmakers continued to witness supply growth outpacing demand, with capacity utilization rates remaining consistently below 80%. Subdued steel prices and a slowdown in demand growth from china continued to weigh on the global steel sector in the past year.

During the year 2012-13, India maintained its ranking as the 4th largest steel producing country in the world behind China, Japan and USA with a crude steel production of 76.7 million tones representing a 4.3% growth over 2011. The Indian Steel Industry continued to showcase trends of higher consumption of finished steel and continued to be a net importer on account of increased demand for special grades of steel in the country. Steel Demand has remained sluggish so far in 2013 amidst weak activity and poor sentiments; however, activity is expected to accelerate modestly in the coming months. Steel demand is expected to grow by 5.9% to 75.8 million tonnes in 2013 following 2.5 % growth in 2012 as monetary easing is expected to support investment activities. Strengthening domestic consumption and improving external conditions will also help underpin the growth of steel using sectors.

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, 2013, 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 Delhi
Date: 04th September, 2013

Sd/-
A.K. Bansal
Proprietor

A. K. VAISH & CO.
CHARTERED ACCOUNTANTS

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

Independent Auditors' Report to the Members of Rathi Bars Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Rathi Bars Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting

principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For A. K. VAISH & Co.
Chartered Accountants
Sd/-

Place : New Delhi
Dated : 04.09.2013

A. K. Bansal
PROPRIETOR
Membership No.71088

A. K. VAISH & CO.
CHARTERED ACCOUNTANTS

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

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 7 under 'Report on Other Legal and Regulatory Requirements' section 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. In respect of transactions entered in the register maintained in pursuance of section 301 of the Act:
 - a. To the best of our knowledge and belief and according to the information and explanations given to us, particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements during the year, have been made at prices which are reasonable having regard to the prevailing market price at relevant time.
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, 2013 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
Sd/-

Place : New Deih
Dated : 04.09.2013

A. K. Bansal
PROPRIETOR
Membership No.71088

BALANCE SHEET AS AT 31 MARCH, 2013

Particulars	Note No.	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
Share capital	3	163,303,570	163,303,570
Reserves and surplus	4	549,894,392	528,476,145
2 Non-current liabilities			
Long-term borrowings	5	90,361,283	77,325,598
Deferred tax liabilities (net)		38,420,415	37,393,549
(Refer Note-2 item 2g of notes of accounts)			
3 Current liabilities			
Short-term borrowings	6	259,040,537	199,104,502
Trade payables	7	119,869,587	129,738,349
Other current liabilities	8	88,157,474	75,026,477
Short-term provisions	9	760,961	519,063
TOTAL		<u>1,309,808,219</u>	<u>1,210,887,253</u>
B ASSETS			
1 Non-current assets			
Fixed assets			
Tangible assets	10	302,583,919	315,888,493
Intangible assets		-	-
Capital work-in-progress		39,200,050	9,548,363
2 Current assets			
Current investments	11	158,158,685	91,306,315
Inventories	12	152,459,307	141,219,849
Trade receivables	13	465,608,478	472,006,202
Cash and cash equivalents	14	19,257,660	16,479,918
Short-term loans and advances	15	172,540,120	164,438,113
TOTAL		<u>1,309,808,219</u>	<u>1,210,887,253</u>
General Information	1		
Significant Accounting Policies & Notes on Accounts	2		

As per our report of even date attached

For A.K. Vaish & Co.

Chartered Accountants

Sd/-

A.K. Bansal

Proprietor

Membership No. 71088

Place : New Delhi

Date : 04.09.2013

For and on behalf of the Board of Directors

Sd/-

(Managing Director)

K. K. Rathi

Sd/-

(Whole Time Director)

Anupam Rathi

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2013

Particulars		Note No.	Year Ended 31 March, 2013 ₹	Year Ended 31 March, 2012 ₹
A	EQUITY AND LIABILITIES			
1	Revenue from operations	16	3,149,857,198	3,116,802,693
	Less: Excise duty		337,792,150	293,064,242
	Revenue from operations (net)		<u>2,812,065,048</u>	<u>2,823,738,451</u>
2	Other income	17	5,420,906	10,662,667
3	Total revenue	(1+2)	<u>2,817,485,954</u>	<u>2,834,401,118</u>
4	Expenses			
	Purchases of stock-in-trade		2,908,959	2,453,371
	Cost of materials consumed	18	2,254,827,735	2,418,888,986
	Changes in inventories	19	(11,866,221)	(63,566,027)
	Employee benefits expenses	20	39,053,341	37,582,483
	Finance costs	21	35,309,142	28,136,049
	Other expenses	22	443,237,306	359,452,218
	Depreciation expense		21,869,919	20,473,096
5	Total expenses		<u>2,785,340,181</u>	<u>2,803,420,176</u>
6	Profit / (Loss) before tax	(3-5)	32,145,773	30,980,942
7	Tax expenses:			
	Current tax expense for current year		6,552,000	6,160,000
	Wealth Tax		49,687	49,376
	(Less): MAT credit		3,098,973	(5,978,081)
	Deferred tax (Refer Note-2 item 2g of notes of accounts)		1,026,866	1,145,307
8	Total tax expenses		<u>10,727,526</u>	<u>1,376,602</u>
9	Profit / (Loss) for the year	(6-8)	<u>21,418,247</u>	<u>29,604,340</u>
	Earnings per share (of ₹ 10/- each):			
	Basic and Diluted		1.31	1.81
	General Information	1		
	Significant Accounting Policies			
	& Notes on Accounts	2		

As per our report of even date attached

For A.K. Vaish & Co.

Chartered Accountants

Sd/-

A.K. Bansal

Proprietor

Membership No. 71088

Place : New Delhi

Date : 04.09.2013

For and on behalf of the Board of Directors

Sd/-

(Managing Director)

K. K. Rathi

Sd/-

(Whole Time Director)

Anupam Rathi

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

S.No.	Particulars	Year Ended 31 March, 2013 (₹ in Lacs)	Year Ended 31 March, 2012 (₹ in Lacs)
A	Cash Flow from operating activities:		
	Profit Before Taxation	321.46	309.81
	Adjustments for:		
	Depreciation	218.70	204.73
	Interest and Financial Charges	353.09	281.36
	Misc. Expenditure written off	0.00	0.00
	Pre-operative Expenses	0.00	0.00
	Loss / (Profit) on Mutual Fund	(12.27)	(26.64)
	Interest Income & Others	(33.09)	(72.51)
	Dividend Income	(0.21)	(0.23)
	Operating Profit before working capital changes	847.68	696.52
	Decreased (Increase) in Trade Receivables	63.98	(751.96)
	Decreased (Increase) in Inventories	(112.39)	(657.81)
	Decreased (Increase) in Loan & Advances	(112.01)	4.16
	Increase (Decrease) in Current Liabilities and Provisions	35.03	(35.37)
	Cash Generated from operations	722.29	(744.46)
	Income Tax paid	(66.02)	(62.09)
	Net cash provided by operating activities	656.27	(806.55)
B	Cash flow from investing activities:		
	Proceeds from sale of fixed assets	26.98	9.14
	Sale / (Purchase) of Investments	(668.52)	780.71
	Sale / (Purchase) of Fixed assets and Capital Work in Progress	(409.15)	(189.73)
	Profit / (Loss) on Mutual Fund	12.27	26.64
	Income from Interest	33.09	72.51
	Income from Dividend	0.21	0.23
	Net cash used in investing activities	(1005.12)	699.50
C	Cash Flow from Financing Activities		
	Proceeds from Share Capital (Including Premium)	0.00	0.00
	Unclaimed Share Application Money Refundable	0.00	0.00
	Increase / (Decrease) in Reserves & Surplus	0.00	0.00
	Increase in Long Term Borrowing (Net)	133.36	(12.30)
	Increase in Short Term Borrowing (Net)	599.36	374.84
	Increase (Decrease) in Unsecured Loan	(3.00)	(66.72)
	Interest Paid	(353.09)	(281.36)
	Net Cash used in Financing Activities	376.63	14.46
D	Net increase (decrease) in cash and cash equivalents	27.78	(92.59)
E	Cash and Cash Equivalent at the begning of the year	164.80	257.39
F	Cash and Cash Equivalent at the end of the year	192.58	164.80

As per our report of even date attached

For A.K. Vaish & Co.

Chartered Accountants

Sd/-

A.K. Bansal

Proprietor

Membership No. 71088

Place : New Delhi

Date : 04.09.2013

For and on behalf of the Board of Directors

Sd/-

(Managing Director)

K. K. Rathi

Sd/-

(Whole Time Director)

Anupam Rathi

NOTE-1**General Information**

Rathi Bars Limited, a steel rolling mill, was set-up at Khushkhera, Distt. Alwar, 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.

l. Taxation:

- i) Tax expense comprises of current and deferred tax
- ii) 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.
- iii) 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.
- iv) 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 ₹ 6.34 lacs (31st March, 2012: ₹ 9.28 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 st March, 2013	Year ended on 31 st March, 2012
A Audit Fees	₹ 1,55,000.00	₹ 1,20,000.00
B Fee for Limited Review	₹ 30,000.00	₹ 20,000.00
C Out of Pocket Expenses	₹ 10,000.00	₹ 10,000.00

d. Expenditure in Foreign Currency:

	Year ended on 31 st March, 2013	Year ended on 31 st March, 2012
Traveling	₹ 1,45,320.00	₹ 1,30,719.00

e. Earning Per Share (EPS):

	Year ended on 31 st March, 2013
i Profit after taxation as per Profit and Loss Account (in ₹)	2,14,18,247.00
ii Weighted Average number of equity shares outstanding	1,63,30,357.00
iii Basic and Diluted earnings per share (in ₹)	1.31

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
1	Key Managerial Personnel					
a	Mr. Anupam Rathi (Director)	--	--	24.00	--	--
b	Mr. Anurag Rathi (Director)	--	--	24.00	--	--
2	Relatives of Key Managerial Personnel					
a	Mrs. Pushpa Rathi	--	--	12.00	--	--
b	Mrs. Parnika Rathi	--	--	12.00	--	--
c	Mrs. Nandita Rathi	--	--	12.00	--	--
3	Companies / Associates in which the Key Managerial Personnel and/or their relatives exercise significant influence					
a	M/s Rathi Special Steels Ltd.	1129.74	1753.51	--	--	--

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

Particulars	As on 31.03.2013 (Amt. in ₹)	As on 31.03.2012 (Amt. in ₹)
Depreciation	4,58,96,851	4,52,65,240
Carried Forward unabsorbed depreciation & Losses	74,76,436	78,71,691
	<u>3,84,20,415</u>	<u>3,73,93,549</u>
Increase in Deferred Tax Liabilities		10,26,866

h. Market value of Investment in Quoted Equity Shares ₹ 23,91,915.00 (Previous Year: ₹ 24,27,915.00)

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	3,29,784	10,84,471
	<u>3,29,784</u>	<u>10,84,471</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 31.03.2013	As at 31.03.2012
1. Licensed Capacity		
Steel Bars	100000.000 MT	100000.000 MT
Ingot / Billets	68500.000 MT	68500.000 MT
2. Actual Production & Purchase		
Steel Bars	68523.150 MT	68943.260 MT
Ingot / Billets	33607.355 MT	32513.370 MT
TOTAL	<u>102130.505 MT</u>	<u>101456.630 MT</u>

*68523.150 M.T. Includes Nil M.T. Trading Purchase of Steel Bars (Previous Year: 60.260 M.T.)

B. STOCKS

Particulars	Opening Stock				Closing Stock			
	As at 01.04.2012		As at 01.04.2011		As at 31.03.2013		As at 31.03.2012	
	QTY. (IN MT)	AMOUNT (IN ₹)	QTY. (IN MT)	AMOUNT (IN ₹)	QTY. (IN MT)	AMOUNT (IN ₹)	QTY. (IN MT)	AMOUNT (IN ₹)
Steel Bars	1376.165	54055667	876.340	28134914	2110.820	85841939	1376.165	54055667
Ingot / Billets	1395.030	46661889	375.480	9429805	570.890	17834326	1395.030	46681889
TOTAL	2771.195	100737556	1251.820	37564719	2681.710	103676265	2771.195	100737556

C. DESPATCH

Particulars	As at 31.03.2013		As at 31.03.2012	
	QTY. (in MT)	AMOUNT (in ₹)	QTY. (in MT)	AMOUNT (in ₹)
Steel Bars*	67788.495	2978895683	68443.435	2810548386
Ingot / Billets**	34431.495	164526715	31493.820	296708053
Scrap, Commission etc		6434800		9546254
TOTAL	102219.990	3149857198	99937.255	3116802693
* 67788.495 M.T. Includes Nil M.T. Trading Sale of Steel Bars (Previous Year: 60.260 M.T.)				
** 34431.495 M.T. Includes 29925.000 M.T. Used For Production of Steel Bars (Previous Year: 23475.000 M.T.)				

D. CONSUMPTION

Particulars	As at 31.03.2013		As at 31.03.2012	
	QTY. (IN MT)	AMOUNT (IN ₹)	QTY. (IN MT)	AMOUNT (IN ₹)
Ingots / Billets*	72973.730	1384617143	75401.816	1578113466
Scrap/Sponge Iron**	36902.924	870210592	39567.745	840775520
Stores & Spares		46766599		56561617
TOTAL	109876.654	2301594334	114969.561	2475450603
Note : All Raw Material, Stores & Spares are indigenous.				
* 72973.730 MT Includes 30315.000 MT used as captive consumption (Previous Year 25175.000 MT)				
** 36902.924 MT Includes 3097.182 MT used as captive consumption (Previous Year 3280.390 MT)				

Note (3)

Share Capital

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
(a) Authorised Share Capital		
1,80,00,000 Equity Shares of ₹ 10 each	180,000,000.00	180,000,000.00
(Previous Year : 1,80,00,000 Equity Shares of ₹10 each)		
(b) Issued, Subscribed & Paid-up		
1,63,30,357 Equity Shares (Previous Year : 1,63,30,357	163,303,570.00	163,303,570.00
Equity Shares) of ₹ 10 each Called-up and Fully Paid-up.		
	163,303,570.00	163,303,570.00

Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 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, 2013	As at 31 March, 2012
	₹	₹
RESERVES & SURPLUS		
a Profit & loss account		
Opening Balance	347,345,783	317,741,443
Add- Surplus as per Profit & loss A/C	21,418,247	29,604,340
	<u>368,764,030</u>	<u>347,345,783</u>
b Securities Premium Amount	178,571,425	178,571,425
c Reserve for deferred taxes	2,558,937	2,558,937
	<u>549,894,392</u>	<u>528,476,145</u>

Note (5)
Long Term Borrowing

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
a Term Loan		
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)	37,800,000	26,680,000
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
b Automobile Loans (Secured by Hypothecation of relevent Vehicle)		
HDFC Bank	2,410,104	4,604,876
Kotak Mahindra Bank Ltd.	-	262,873
ICICI Bank Ltd.	2,184,174	1,144,819
BMW India Financial Services Pvt. Ltd.	5,990,261	-
c Unsecured Loans (Interest Free)		
Body Corporates & Directors	16,608,000	16,608,000
Security deposits	25,368,744	25,668,744
	<u>90,361,283</u>	<u>77,325,598</u>

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

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
Short-term borrowings (working capital limits)		
State Bank of Bikaner & Jaipur, New Delhi (Secured by hypothecation of stock & Book debts and Guaranteed by Executive Directors)	259,040,537	199,104,502
	<u>259,040,537</u>	<u>199,104,502</u>

Note (7)**Trade payables**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
Trade payables	119,869,587	129,738,349
See Notes on Accounts- , Note-2, item 2b (i)		
	<u>119,869,587</u>	<u>129,738,349</u>

Note (8)**Other current liabilities**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
Other current liabilities		
Advance received from customers	36,732,124	38,208,153
Interest accrued but not due for Payment	588,953	548,766
Statutory dues (including provident fund and tax deducted at source)	49,037,597	34,082,450
Unclaimed share application money refunds	189,980	189,980
Other payables (including employee dues)	1,608,820	1,997,128
	<u>88,157,474</u>	<u>75,026,477</u>

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

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
Short-term provisions		
Provision for Leave Encashment	66,017	79,185
Provision for Gratuity	694,944	439,878
	<u>760,961</u>	<u>519,063</u>

Note-10**Fixed Assets**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2012 ₹	Addition ₹	Deletion ₹	As at 31.03.2013 ₹	Up to 31.03.2012 ₹	Addition ₹	Deduction ₹	Up to 31.03.2013 ₹	As at 31.03.2013 ₹	As at 31.03.2012 ₹
Leashold Land	3,921,141	-	-	3,921,141	-	-	-	-	3,921,141	3,921,141
Building	43,250,155	1,113,786	-	44,363,941	13,081,193	1,815,331	-	14,896,524	29,467,417	30,168,962
Plant & Machinery	412,767,929	161,200	-	412,929,129	145,111,731	17,514,299	-	162,626,030	250,303,099	267,656,198
Tubewell	222,080	-	-	222,080	180,507	4,157	-	184,664	37,416	41,573
Furniture	496,071	206,260	-	702,331	345,575	55,111	-	400,686	301,645	150,496
Vehicle	20,218,225	9,782,106	3,994,452	26,005,879	6,268,102	2,481,021	1,296,446	7,452,677	18,553,202	13,950,123
	480,875,601	11,263,352	3,994,452	488,144,501	164,987,108	21,869,919	1,296,446	185,560,581	302,583,920	315,888,493
CWIP	9,548,363	29,651,687	-	39,200,050	-	-	-	-	39,200,050	9,548,363
Total	490,423,964	40,915,039	3,994,452	527,344,551	164,987,108	21,869,919	1,296,446	185,560,581	341,783,970	325,436,856
Previous Year	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

Note (11)**Current investments**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
Current investments		
Trade, Quoted:		
Equity shares	5,418,658	5,418,658
Non Trade, Unquoted:		
a Govt. Securities		
National Saving Certificates	6,045	6,045
b Mutual Funds		
- Growth Option	139,126,066	72,273,696
- Dividend Option	13,607,916	13,607,916
	<u>158,158,685</u>	<u>91,306,315</u>

Note (12)**Inventories**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
Inventories		
Finished goods	103,676,265	100,737,556
Raw material	32,435,525	33,046,788
Stores & spares	4,062,700	4,078,200
Scrap	12,284,817	3,357,305
	<u>152,459,307</u>	<u>141,219,849</u>

Note (13)**Trade receivables**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
Trade receivables (Unsecured and considered good unless stated otherwise)		
Outstanding for a period exceeding six months from the due date	17,430,537	17,820,650
Other receivables	448,177,941	454,185,552
	<u>465,608,478</u>	<u>472,006,202</u>

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

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
Cash and cash equivalents		
a Cash in hand	1,697,526	1,707,071
b Balances with scheduled banks in current accounts		
in current account	15,851,487	13,187,101
Unclaimed share application money	189,980	189,980
b Others (Fixed Deposit -Margin Money for LC)	1,518,667	1,395,766
	<u>19,257,660</u>	<u>16,479,918</u>

Note (15)
Short-term loans and advances

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
Short-term loans and advances (Unsecured and considered good unless stated otherwise).		
a Advance recoverable in cash or in kind	95,959,462	90,470,696
b Balance with excise and other statutory authorities		
Advance Tax & TDS	23,718,705	25,551,370
Cenvat Credit Receivable	3,062,748	2,470,897
Service Tax credit receivable	1,404,444	572,195
Entry Tax Receivable	3,153,820	1,704,374
MAT Credit Entitlement	10,511,554	13,610,527
VAT Credit Receivable	4,160,285	4,824,940
c Security deposits	30,569,102	25,233,114
	172,540,120	164,438,113

Note (16)
Revenue from operations

Particulars	Year	Year
	2012-13	2011-12
	₹	₹
Revenue from operations		
Sale of Steel Bars	2,978,895,683	2,810,548,386
Sale of Ingots / Billets	164,526,715	296,708,053
Other operating revenues	6,434,800	9,546,254
	3,149,857,198	3,116,802,693

Note (17)
Other income

Particulars	Year	Year
	2012-13	2011-12
	₹	₹
Other income		
Interest received on deposits	3,309,111	7,250,873
Miscellaneous Receipts	884,613	747,501
Net gain on sale of current investments	1,227,182	2,664,293
	5,420,906	10,662,667

Note (18)

Cost of materials consumed

Particulars	Year 2012-13 ₹	Year 2011-12 ₹
Cost of materials consumed		
a Ingots / Billets		
Opening stock	18,886,201	15,493,368
Add: Purchases	1,377,730,664	1,581,506,299
Less: Closing stock	11,999,722	18,886,201
material consumed (I)	1,384,617,143	1,578,113,466
b Scrap / Sponge Iron		
Opening stock	14,160,587	18,344,348
Add: Purchases	876,485,808	836,591,759
Less: Closing stock	20,435,803	14,160,587
material consumed (II)	870,210,592	840,775,520
Total Material Consumed (I + II)	2,254,827,735	2,418,888,986

Note (19)

Changes in inventories of finished goods and Scrap

Particulars	Year 2012-13 ₹	Year 2011-12 ₹
Changes in inventories of finished goods and Scrap		
a OPENING STOCK		
Finished goods	100,737,556	37,564,719
Scrap	3,357,305	2,964,115
(I)	104,094,861	40,528,834
b CLOSING STOCK		
Finished goods	103,676,265	100,737,556
Scrap	12,284,817	3,357,305
(II)	115,961,082	104,094,861
c (Increase) / Decrease in stocks (I - II)	(11,866,221)	(63,566,027)

Note (20)

Employee benefits expense

Particulars	Year 2012-13 ₹	Year 2011-12 ₹
Employee benefits expense		
a contribution to provident fund and other funds	464,736	425,121
b Employees welfare	539,601	805,588
c Production contract wages	27,735,928	28,059,542
d Salaries, wages, bonus & other allowances	10,313,076	8,292,232
	39,053,341	37,582,483

Rathi Bars Limited

Note (21) Finance costs

Particulars	Year 2012-13 ₹	Year 2011-12 ₹
Finance costs		
Interest on :		
Cash Credit	29,257,478	21,790,259
Term Loan	4,284,679	4,982,675
Others	507,174	450,222
Bank Charges	1,259,811	912,893
	35,309,142	28,136,049

Note (22)

Other expenses

Particulars	Year 2012-13 ₹	Year 2011-12 ₹
Other expenses		
Administrative charges	77,242	81,809
Advertisement & Selling Expenses	110,463	294,714
Auditor's fees	165,000	150,000
Books & periodicals	870	3,825
Directors salary	4,800,000	6,960,000
Donation	526,900	488,750
Freight & cartage and consignment expenses	14,731,402	11,324,119
General expenses	2,065,999	1,630,812
Generator Running Expenses	1,879,476	1,227,846
Increase / (decrease) of excise duty on inventory	4,478,661	3,411,550
Insurance	626,178	991,099
Keyman insurance policy	1,297,003	1,370,761
Legal & professional charges	1,892,850	2,538,473
Listing Expenses	123,936	126,600
Loss on sale of Vehicles	1,875,784	385,289
Postage expenses	110,674	125,128
Power and Fuel	343,063,303	258,084,443
Printing & stationery	497,315	699,403
Rates, taxes & fees	4,265,259	1,450,838
Rent	84,000	90,000
Repair and Maintenance:		
Plant & Machinery	2,791,073	1,203,708
Buildings	372,102	130,447
Others	1,098,179	1,077,768

Particulars	Year	Year
	2012-13	2011-12
	₹	₹
Royalty	592,518	417,840
Sales Promotion	1,087,488	214,252
Security service charges	823,343	759,047
Stores and Spares Consumed	46,766,599	56,561,617
Telephone expenses	1,051,348	1,076,593
Travelling & conveyance	3,359,374	3,693,821
Vehicles repair & maintenance	2,622,967	2,881,666
	<u>443,237,306</u>	<u>359,452,218</u>

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. Bansal

Proprietor

Membership No. 71088

Place : New Delhi

Date : 04.09.2013

Sd/-

(Managing Director)

K. K. Rathi

Sd/-

(Whole Time Director)

Anupam Rathi

if undelivered please return to

RATHI BARS LIMITED

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