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# **EIGHTEENTH ANNUAL-REPORT 2010-2011**

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## **Rathi Graphic Technologies Limited**

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**BOARD OF DIRECTORS:**

Sh. Raj Kumar Rathi  
Sh. Vinod Somani  
Sh. Sandesh Jain  
Sh. Adarsh Kr. Aggarwal  
Sh. Anurag Yadav

Managing Director  
Non Executive Independent Director  
Non Executive Independent Director  
Non Executive Independent Director  
Non Executive Independent Director

**COMPANY SECRETARY :**

Ms. Meenakshi Garg

**AUDITORS :**

M/s. A.K. Maheshwari & Associates  
Chartered Accountants  
4G, 4th Floor, Uppal, M-6 Plaza,  
Jasola District Centre,  
New Delhi-110025

**BANKERS :**

State Bank of Bikaner & Jaipur  
Chandni Chowk  
Delhi-110006

**REGISTERED OFFICE :**

A-3, Industrial Area,  
South of G.T. Road,  
Ghaziabad (U.P.)  
Ph.: (0120) 2840364 - 51  
Fax : (0120) 2840352 - 53

**CORPORATE & MARKETING :  
OFFICE**

24/1A Mohan Cooperative Industrial Estate,  
Mathura Road,  
New Delhi-110 044  
Ph.: 011-45002400  
Fax: 011-26991061

**WORKS:**

SP-921, RIICO Industrial Area  
Phase - III,  
Bhiwadi,  
Bhiwadi-301019  
(Rajasthan)

**REGISTRAR & SHARE  
TRANSFER AGENT :**

MAS Services Limited  
T-34, IInd Floor,  
Okhla Ind. Area  
Phase- II,  
New Delhi- 110020  
Ph: 011-26387281-82-83  
Fax: 011-26387284

**SUBSIDIARY COMPANY :**

RGTL Industries Limited  
(Formerly Rathi Rajasthan Steel Mills Limited)  
24/1A Mohan Cooperative Industrial Estate,  
Mathura Road,  
New Delhi-110 044  
Ph.: 011-45002400  
Fax: 011-26991061

## NOTICE

Notice is hereby given that the 18th Annual General Meeting of the members of Rathi Graphic Technologies Limited will be held on Friday, 30th day of September, 2011 at 10.00 a.m. at A-3, Industrial Area, South of G.T. Road, Ghaziabad (U.P.) to transact the following businesses:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2011, and the Profit and Loss Account for the year ended on that date together with the Report of Director's and Auditor's thereon.
2. To appoint a Director in the place of Shri Sandesh Jain, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS:

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

Resolved That Pursuant to the provisions, if any, of the Companies Act, 1956 including statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time and subject to such approvals, permissions and sanctions and pursuant to the Director's relative (office or place of profit) Rules 2003 or any amendment or substitution thereof, consent of the company be and is hereby accorded to the appointment of shri Anirudh Rathi, who is Relative of a Director to hold an office or place of Profit under the Company as Chief Executive of the Company with effect from 1st April, 2011 on a monthly remuneration of Rs. 100,000 per month along with perquisites and allowances as per Company's rules.

### 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 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTTY EIGHT HOURS

(48 HRS) BEFORE THE COMMENCEMENT OF THE MEETING. A FORM OF PROXY AND ADMISSION SLIP IS ENCLOSED.

2. Members are requested to bring their copy of the Annual Report along with the duly filled attendance slip.
3. Shareholders holding in Electronic form are requested to bring their Client ID and DP ID at the meeting for easy identification.
4. The Register of Member and Share Transfer Books of the Company will remain closed from September 26, 2011 to September 30, 2011 (both days inclusive).
5. The members who are interested to avail of nomination facility may obtain the necessary application form from Registrar & Share Transfer Agent.
6. All correspondence relating to the transfer and transmission, sub-division of shares, issue of duplicate shares certificates, change of address, dematerialization of shares etc, will be attended at the Registered office of the Company and shall be processed at the office of Registrar & share Transfer agent.
7. Documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company on all working days between 10.00 a.m to 1.00 p.m. prior to the Annual General Meeting.
8. Members desirous of obtaining any information/ clarification(s) concerning the accounts and operations of the Company or intending to raise any query are requested to forward the same at least 10 days before the date of the meeting to Company Secretary at the registered office of the Company, so that the same may be attended to appropriately.
9. Annual listing fee for the year 2011-12 has been paid to the stock Exchange wherein Shares are listed.
10. In terms of Section 109A of the Companies Act, 1956, nomination facility is available to individual shareholders. Members holding shares in physical form may nominate a person in respect of all the shares held by them whether singly or jointly. Members who hold shares singly are advised to avail of the nomination facility by filing Form no. 2B in their own interest. Members holding shares in dematerialized form may contract their respective DPs for registration of nomination.

11. Members holding physical Shares in multiple folios in identical names are requested to send their share certificates to Company's Registrar and Share Transfer Agent, MAS Services Limited for consolidation.

**EXPLANATORY STATEMENT:**

Pursuant to Section 173(2) of the Companies Act, 1956.

**ITEM NO. 4**

Keeping in view the experience and active involvement of Shri Anirudh Rathi, Chief Executive of the Company, into the affairs of the Company specially expansion and diversification activities in the Company, the Board of Directors of the Company in their meeting held on 11th day of May 2011 has approved their appointment and remuneration.

None of the Directors except Shri Raj Kumar Rathi is directly concerned or interested in the aforesaid resolution.

12. 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 Directors' Report.

**By order of the Board of Directors**

Dated: August 29, 2011  
Place: New Delhi

**Meenakshi Garg**  
**Company Secretary**

**By order of the Board of Directors**

Dated: August 29, 2011  
Place: New Delhi

**Meenakshi Garg**  
**Company Secretary**

## DIRECTOR'S REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting the 18th Annual Report together with the audited Accounts of the Company for the year ended 31st March, 2011.

### FINANCIAL RESULTS

(In Rupees)

Particulars	31.03.2011	31.03.2010
Turnover	208005391	197745732
Profit/(Loss) before Interest & Depreciation	31843612	32992525
Interest & Depreciation	18615529	18633099
Profit before Tax (PBT)	13228083	14359426
Net profit after tax (PAT)	11524081	13014201

### DIVIDEND

In view of need to conserve and plough back Company's resources to fund the future expansion plans, your Directors do not propose any dividend this year.

### OPERATING RESULTS

During the year under review, your Company put in a concerted effort towards increasing efficiency and product development, product quality, product branding to increase the market reach. Turnover for the year is marginally increased to Rs. 2080.05 against Rs. 1977.45 Lacs during previous year. However due to increase in value of Dollar, Euro and Yen the cost of raw material increased which resulted in increase of cost of production and for that reason profit after tax for the financial year 2011 is reduced to Rs 115.24. Lacs as against Rs. 130.14 Lacs of previous year. The Company is hopeful in achieving much better performance in the current year.

The Consolidated financial results during the year including that of 100% Subsidiary Company is as follows:

Sales	: 30945.47 Lacs
Profit before Tax	: 780.09 Lacs
Profit after Tax	: 553.37 Lacs

### FUTURE OUTLOOK

Your Company has developed new quality products at competitive prices to face global competition and to tap fast growing market of laser toners.

The fluctuation in foreign currency and tough competition in the international market will continue to be a challenge but your Company foresees better

sales turnover and increased demand of its quality products.

The Plant and Machinery for the ongoing Expansion program has arrived from Germany and will be installed shortly. Your Directors are hopeful of getting commercial production from the enhanced capacity from the Third Quarter of the Financial Year 2011-2012.

### SUBSIDIARY COMPANY

The name of wholly owned Subsidiary Company Rathi Rajasthan Steel Mills Limited has changed and the new name is "RGTL Industries Limited" w.e.f. 21.06.2011.

### PUBLIC DEPOSITS

The Company has not invited or accepted any deposits during the year from the public under Section 58A of the Companies Act, 1956.

### DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association Shri Sandesh Kumar Jain is liable to retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. He is a Practicing Chartered Accountant having more than 20 years of experience. He is Financial and Management Services expert. He has confirmed that he has not incurred any disqualification under Section 274(1) (g) of the Companies Act, 1956 and they are eligible to be re-appointed as Directors of the Company.

### AUDITORS

M/s A. K. Maheshwari & Associates, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual general meeting and are eligible for re-appointment.

The Company has received letters from M/s A. K. Maheshwari & Associates, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under section 224(1B) of the Companies Act, 1956, and that they are not disqualified for such appointment within the meaning of section 226 of the Companies Act, 1956.

### NOTES ON ACCOUNTS

The notes to the accounts referred to by the Auditors in their report are self-explanatory and may be treated as information/explanation submitted by the board as contemplated under Section 217(3) of the Companies Act 1956.

## PARTICULARS OF EMPLOYEES

During the year under review, Shri Raj Kumar Rathi, Managing Director of the Company falls under the terms of Section 217(2A) of the Companies Act, 1956 read with the companies (Particulars of Employees) Rules, 1975.

## CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Clause 32 and 50 of the Listing Agreement, Your Company has prepared Consolidated Financial Statements as per the Accounting Standards applicable to the Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. Audited Consolidated Financial Statements along with the Auditor's Report are annexed with this Report.

## CONSERVATION OF ENERGY

The Company has a continuous monitoring system to minimize the energy consumption per unit of toner manufacturing.

## TECHNOLOGY ABSORPTION

The Company has fully absorbed the technology for manufacturing toners used in three brands of photocopier Machines.

## FOREIGN EXCHANGE EARNINGS & OUTGO

During the Year under review, the Company has earned foreign exchange of Rs. Nil (Previous Year Nil) and the company has utilized foreign exchange of Rs. 7,80,51,062 (previous year Rs. 8,58,88,289).

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Sub-Section (2AA) of Section 217 of the Companies Act, 1956 with respect to Directors' Responsibility Statement, your Directors confirm:

- i) That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- ii) That your Company had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 as on 31st March, 2011 and of the profit & loss account of the Company for that period.

iii) That your Company had taken proper and sufficient care for the maintenance of adequate accounting records 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 accounts of your Company have been prepared on going concern basis.

## LISTING OF SHARES

The equity shares of the Company are presently listed at The Bombay Stock Exchange Ltd (BSE). The Company has duly paid the listing fees to the exchanges.

## CORPORATE GOVERNANCE REPORT

The report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with stock exchanges, form part of the Annual Report.

A certificate from the Auditors of the Company M/S A. K. Maheshwari & Associates, Chartered Accountants, confirming compliance with conditions of Corporate Governance as stipulated under the aforesaid clause 49, is annexed to this Report.

## INDUSTRIAL RELATIONS

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

## ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from shareholders, bankers, regulatory bodies and other business constituents during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance during the year.

For and on behalf of the Board

**Raj Kumar Rathi**  
Managing Director

**Sandesh Jain**  
Director

Place: New Delhi  
Dated: August 29, 2011

**ANNEXURE -1****Form – A**

Form of disclosure of particular with respect to conservation of energy

**Part – A**

S.No.	Particulars	Current Year	Previous Year
1.	Electricity Purchased Units(Kwh)	2322552	2539404
	Total Cost(Rs.)	10049338	10746114
	Rate/Unit (Rs.)	4.33	4.23

**Part – B****Consumption per Unit of Production**

Product	Electricity (Kwh)	
	Current Year	Previous Year
Toners & Developers (per Kg.)	5.59	5.95

**DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

As provided under clause 49 of the Listing Agreement with Stock Exchange, the Board of Directors and the senior Management Personnel have confirmed Compliance with the Code of Conduct laid down by the Company for the year ended 31st March, 2011.

**Raj Kumar Rathi**  
Managing Director

Place: New Delhi

Date: 29<sup>th</sup> August 2011

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2010-2011 (In accordance with clause 49 of the Listing Agreement entered into with Stock Exchange)**

Corporate governance is commonly referred to as a system by which organizations are directed and controlled. It is the process by which Company objective are established, achieved and monitored. Corporate governance is a reflection of the Company's culture, policies, relationship with stakeholders, commitment to values and ethical business conduct.

**1. CORPORATE GOVERNANCE PHILOSOPHY AND PRACTICE**

Your Company reaffirms its commitment to the good Corporate Governance Practices. Company's philosophy of good Corporate Governance is reflected in commitment to achieve a balance between Stakeholder's interest and Corporate goals through the efficient conduct of its business guided by transparency, accountability and integrity. The Company provides detailed information to shareholders on various issues concerning the Company's business and financial performance.

Accordingly the following information is provided for the information of stakeholders and public at large.

**2. BOARD OF DIRECTORS**

The composition of the Board is in total conformity with clause 49 of the Listing Agreement, as amended from time to time. The Board of Directors of the Company comprises of distinguished personalities, who have acknowledged in their respective fields. Four out of the Five Directors on the Board as on date, are independent and non-executive. All independent Directors comply with the requirements of the Listing Agreement for being an Independent Director and have also affirmed to this effect.

None of the Directors hold directorships in more than the permissible number of Companies under the applicable provisions. Similarly, none of the directors on the board's committees hold membership of more than ten committees of boards, nor is any director a chairman of more than five committees of boards. The detailed agenda papers containing all information relevant for discussion at the meeting are sent to the Directors in advance so that each director has enough time to prepare himself for a meaningful discussion at the Board meetings. Beside the business items the agenda includes the items required to be considered by the Board of Directors as per the Listing Agreement. The following table summarizes the status of each Director, meeting attended by them and other relevant particulars.

Name	Designation	Category	No. of Board meetings attended during the year	Whether attended AGM held on 28 <sup>th</sup> Sep. 2010	No. of directorships in Other Public Companies	No. of committee positions held in other Public Companies *	
						Chairman	Member
Sh. Raj Kumar Rathi	Managing Director	Executive & non-independent (promoter)	8	Yes	2	Nil	Nil
Sh. Sandesh Jain	Director	Non Executive & Independent	8	Yes	2	2	1
Sh. Adarsh Aggarwal	Director	Non Executive & Independent	8	Yes	Nil	Nil	Nil
Sh. Anurag Yadav	Director	Non Executive & Independent	8	Yes	Nil	Nil	Nil
Sh. Vinod Somani	Director	Non Executive & Independent	6	No	2	Nil	Nil

\* Represents Chairmanships/Memberships of Audit Committee, Shareholder's/ Investor's Grievance Committee and Remuneration Committee.

#### Notes:

- None of the directors is related to any other director.
- None of the directors has any business relationship with the Company.
- None of the directors received any loans and advances from the Company during the year.
- The information as required under Annexure IA to clause 49 is being made available to the Board.
- The Company did not have any pecuniary relationship or transactions with non-executive directors during 2010-11.
- Eight Board Meetings were held during the year 2010-11 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were as follows:

15/05/2010, 14/08/2010, 08/09/2010, 25/09/2010, 26/10/2010, 11/11/2010, 08/12/2010, 12/02/2011.

#### Directors retiring by rotation and being eligible have offered themselves for reappointment

Mr. Sandesh Jain is a practicing Chartered Accountant having more than 20 years of experience. He is Financial and Management Services expert.

### 3. AUDIT COMMITTEE

The Company had constituted an Audit Committee in the year 2003. All members of the Committee are financially literate within the meaning of the Clause 49 of the listing agreement. Shri Sandesh Jain Chairman of the Committee was present at the last Annual General Meeting to answer the queries of the Shareholders. The Scope of the

activities of the Audit Committee is as set out in clause 49 of the Listing Agreements with the Stock exchanges read with Section 292A of the Companies Act, 1956. The composition of the Audit committee and the details of meetings attended by the Directors are given below:

Sl. No.	Name of Members	Category	No. of meeting attended during the year 2010-11
1	Sh. Raj kumar Rathi	Executive & non-independent (promoter)	4
2	Sh. Sandesh Jain	Non Executive & Independent	4
3	Sh. Anurag Yadav	Non Executive & Independent	4

Four Audit Committee Meetings were held during 2010-11. The dates on which the said meetings were held were as follows:

15/05/2010, 14/08/2010, 11/11/2010, 12/02/2011

The necessary quorum was present at all the meetings.

### 4. REMUNERATION COMMITTEE

The Remuneration Committee, entirely composed of independent Directors and presently the committee consists of Sh. Sandesh Jain, Sh. Anurag Yadav and Sh. Adarsh Kumar Aggarwal reviews the performance of the executive Director and senior executives one level below the Board, and also review the remuneration package offered by the Company to different grades/levels of its employees. While reviewing the remuneration of senior management personnel, the committee takes into account the following:



Financial position of the Company

Trend in the industry

Appointee's qualifications and experience

Past performance

Past remuneration etc.

No. of meetings held during the financial year 2010-11. Nil

#### Brief description of terms of reference

The terms of reference of the remuneration committee are as per clause 49 of the Listing Agreement.

Details of remuneration to the Managing Director during the year 2010-11

(Amount in Rs.)

(a) Sh. Raj Kumar Rathi 24,00,000

(b) Period of contract of MD 5 year

Details of shares of the Company held by the Directors as on March 31, 2011 are as follows.

Name	No. of Shares
Sh. Raj Kumar Rathi	2689531

#### Shareholders/Investor Grievance Committee

The Company has a committee to specifically look into the redressal of shareholders grievance relating to transfers, transmissions, issue of duplicate share certificate and all the other matters concerning Shareholders complaints. Presently the committee consists of Sh. Raj Kumar Rathi, Managing Director and two non-executive directors viz. Sh. Sandesh Jain and Sh. Anurag Yadav. The board has delegated the power of Share Transfer to the Company's Registrar & Share transfer Agents, who process the transfers, in respect of physical and shares under Demat. All transfers completed within 15 days of receipt, if the documents were found valid in all respects. Ms. Meenakshi Garg, Company Secretary is the Compliance Officer.

Four meeting held during the financial year 2010-11:

Details of Complaint received and redressed

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	Nil	Nil	Nil

#### General Body Meetings

No. of AGM	Year Ended	Venue	Date & Time
14 <sup>th</sup> AGM	31.03.2007	A-3, Industrial Area, South of G. T. Road, Ghaziabad, 201009	25.09.2007 at 10.00 A.M.

EGM	31.03.2008	A-3, Industrial Area, South of G. T. Road, Ghaziabad, 201009	05.02.2008 at 10.00 A.M.
15 <sup>th</sup> AGM	31.03.2008	A-3, Industrial Area, South of G. T. Road, Ghaziabad, 201009	12.09.2008 at 10.00 A. M.
16 <sup>th</sup> AGM	31.03.2009	A-3, Industrial Area, South of G. T. Road, Ghaziabad, 201009	10.00 A.M
17 <sup>th</sup> AGM	31.03.2010	A-3, Industrial Area, South of G. T. Road, Ghaziabad, 201009	10.00 A.M

#### Postal Ballot

During the financial year 2010-11, no Special Resolution was required to be passed through postal ballot. At the forthcoming Annual General Meeting, there is no item for approval through Postal Ballot.

#### Secretarial Audit

In keeping with the requirements of the SEBI and the Stock Exchanges, a Secretarial Audit by a Practicing Company Secretary is carried out to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The said audit confirms that the total issued/paid up capital tallies with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

A certificate from the Statutory Auditors of the Company on Corporate Governance is attached as an annexure to the report.

#### MEANS OF COMMUNICATION

The Annual, half yearly and quarterly results are communicated to Stock Exchange, where the Company's shares are listed, immediately after the same are taken on record/approved by the Board. Further the said results are also published in newspapers which include the Economic Times and Business Standard.

A Management Discussion and Analysis Statement is part of this report.

#### General Shareholders Information

The next Annual general Meeting is scheduled to be held at A-3, Industrial Area, South of G. T. Road, Ghaziabad (U.P.) on Friday the 30<sup>th</sup> day of September, 2011 at 10 A. M.

#### Financial Calendar for 2011-12

Ist Quarterly results – on or before 14 th August, 2011

IIrd Quarterly results – on or before 15th Nov, 2011

IIIrd Quarterly results – on or before 15th Feb, 2012

IVth Quarterly results – on or before 15th May, 2012

**Book Closure Date**

Date of Book Closure from 26.09.2011 to 30.09.2011  
(both days inclusive)

**Listing on Stock Exchange:**

Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers

Dalal Street, Mumbai – 400001

Company Stock Code:

Bombay Stock Exchange Limited **524610**

**Market Price Data (BSE) for the year 2010-11**

Months & Year	High (Rs.)	Low (Rs.)	Volume Nos.
Apr 10	10.34	8.30	41,720
May 10	10.99	8.10	35,499
Jun 10	9.74	7.96	40,558
Jul 10	9.80	8.02	60,261
Aug 10	10.90	8.33	88,732
Sep 10	15.30	8.57	1,31,807
Oct 10	14.70	10.10	99,815
Nov 10	17.00	10.75	1,22,214
Dec 10	15.00	10.82	68,527
Jan 11	14.20	9.14	41,969
Feb 11	12.00	8.89	24,372
Mar 11	11.55	8.45	36,746

**Distribution of Shareholding as at 31st March, 2011**

Category	Share Nos.	Percentage	Shareholder Nos.	Percentage
1 to 5000	1152935	8.271	5725	89.821
50001 to 10000	269928	1.936	323	5.056
10001 to 20000	208483	1.496	134	2.048
20001 to 30000	161001	0.900	48	0.751
30001 to 40000	73349	0.460	19	0.297
40001 to 50000	124201	0.929	28	0.438
50001 to 100000	340542	2.181	42	0.657
100001 and above	11485264	83.826	69	1.080
Total	13939000	100.00	6388	100.000

**Categories of Shareholding as on 31st March, 2011**

Category	No. of Shares	Percent
Promoters & Relatives	5245012	37.63
Mutual Funds	19000	0.14
Foreign Investors	324592	2.33
Bodies Corporate	5143782	36.90
Individuals	3166441	22.72
NRIs/OCBs	3401	0.02
Clearing Members	36772	0.26
Total	13939000	100

**Share Transfer System**

Share Transfers in physical form can be lodged with the Registrar & Transfer agents of Company. The transfers are normally processed within the stipulated period, if the documents are complete in all respects. The Shareholders/Investor Grievance Committee is empowered to approve the share transfers.

**Registrar and Transfer Agents**

The share Transfer Agent for equity shares of the Company both for electronic and physical segment is M/S MAS Services Limited, T-34, II<sup>nd</sup> Floor, Okhla Industrial Area, Phase II, new Delhi – 110020, Phone: 011-26387281/82/83, Fax : 011-26387384, Email: info@masserv.com

**Dematerialization of shares**

The Company has tied up with the National Securities Depository Limited and Central Depository Services India Limited and the ISIN No. allotted to equity shares of the Company is INE 886C01010. The demat/remat requests are processed within 15 days of the receipt of request, provided they are complete in all respects. As of the end of March 2011, shares comprising approximately 81.67 % of Company's equity share capital have been dematerialized.

**Manufacturing Units**

SP- 921, RIICO Industrial Area  
Phase – III, Bhiwadi  
Distt. Alwar, Rajasthan

**Address for Correspondence**

24/1A, Mohan Cooperative Industrial Estate  
Mathura Road,  
New Delhi – 110044  
Phone No: 011- 40512425/26/27/28  
Email: investor@rathitoner.com

**Contact Person**

Ms. Meenakshi Garg (Company Secretary and Compliance Officer).

The above report was placed before the Board and approved at its meeting held on 29th day of August, 2011.

**Certificate of Compliance of Corporate Governance**

To,

The members of Rathi Graphic technologies Limited

We have examined the Compliance of Corporate Governance by Rathi Graphic Technologies Limited for the year ended on 31st March, 2011, as stipulated

in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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. Maheshwari & associates  
Chartered Accountants**

**A. K. Maheshwari  
Proprietor**

Place: New Delhi  
Dated: 29th August 2011

#### **CEO / CFO Certification**

We certify to the Board that:

- a) We have received financial statements and cash flow statement for the year ended for the year and that to the best of our knowledge and belief:
  - (i) These statements do not contain any material 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 standard, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept our responsibility for establishing and maintaining internal internal controls for the

financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of the which they are aware and the steps they have taken or proposed take to rectify these deficiencies.

d) We have indicated to the auditors and Audit committee that:

- (i) There have not been any significant changes in internal control over financial reporting during the year.
- (ii) There has not been any significant changes in accounting policies during the said year requiring disclosure in the notes to the financial statements; and
- (iii) There has not been any instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or the employee having a significant role in the Company's internal control system over financial reporting.

**(Sh. Raj Kumar Rathi)  
Managing Director**

**(S. Biswas)  
Chief Financial Officer**

Place: New Delhi  
Date: August 29, 2011.

## **MANAGEMENT DISCUSSION & ANALYSIS**

### **FORWARD LOOKING STATEMENTS**

Statement in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be considered to be forward looking statements within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent development, information or events.

The strong fundamental character of Indian Economy indicating increase in the production activities acts as a fuel for the growth of your Company. Your Company with adequate infrastructure and an active eye on the emerging opportunities at domestic and international level is poised to grow and enhance its shareholder value.

### **TRAPPING BUSINESS OPPORTUNITIES**

The focus of the Company continues to be on strengthening presence in existing markets and to this extent extensive sales and brand building effects have been taken.

### **EXPANSION AND OTHER PROJECTS**

As part of our expansion plans, the Company has imported new machinery which enhance the production capacity upto 150%.

### **THREAT AND CHALLENGES**

#### **COMPETITION**

Competition whether domestic or international is always a challenge and transforming challenges into opportunities has a practice of our Company.

#### **INFLATION**

Surging price level poses a major threat to the Company and the economy as a whole. Rising prices reduce the value of money leaving consumers with low purchasing power. Low purchasing power disturbs the demand supply chain which causes serious threat to production rollout.

### **FINANCIAL MANAGEMENT**

Fund Management is crucial and important for the Company's growth. The financial system of the organization is responsible for the management of

funds. The Company's financial management has held it in good stead over the year and has given it the unbeatable reputation of being one of the most profitable toner manufacturing Company in the Country.

The Company had initiated moves in its right earnest for repaying and swapping the high interest borrowing with low interest rate funds. Currently the total borrowing of Rs.7.46 Crores comprises terms loans of Rs. 1.14 Crores and working capital loans of Rs. 6.32 Crores.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has a proper and adequate system of internal control geared towards achieving efficiency in its various business operations, safeguarding assets, optimum utilization of resources and compliance with statutory regulations.

The Company has continued its efforts to align its processes and controls with best practices and has put in place a process wise internal control framework across the Company.

The Internal Auditors of the Company conduct audits of various departments based on an annual audit plan covering key area of operations, including overseas operations. Internal Audit reviews and evaluates the adequacy and effectiveness of internal controls, ensuring adherence to operating guidelines and systems and recommending improvements for strengthening them. The Company has put in place a Risk Assessment and mitigation process across all its business operations, which is reviewed by the Management and Board Audit Committee.

### **HUMAN RELATIONS**

The Company successfully met the challenges of its business environment due to dedication, competence and commitment displayed by its employees. The human resource function and initiatives of the Company are driven by strong set of values, policies and philosophy Performance orientation and ethics are the cornerstones of our human resource philosophy. Relations between employees and management have remained cordial through out the year. Initiatives are being taken to enhance the productivity of employees. The Company appreciates the contribution made by all employees in ensuring better performance and achievements during the year. The Company continued to implement best practices and innovative initiatives to meet the challenges of acquiring and retaining talent against intense competitive pressures. The Company continued to place emphasis on training, skills enhancement and competency development of its people for meeting future challenges. The Company

sustained its emphasis on imparting required training to its employees.

**CAUTIONARY STATEMENT**

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward-looking statement' within the meaning of

applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important developments that could affect the Company's operations include a downward trend in the domestic FMCG industry, rise in input costs, exchange rate fluctuations, and significant changes in political and economic environment in India, environment standards, tax laws, and litigation and labor relations.

## AUDITOR'S REPORT

### The Members of

### Rathi Graphic Technologies Limited

1. We have audited the attached Balance Sheet of M/S Rathi Graphic Technologies Limited as at 31st March, 2011 and also the Profit and Loss Account of the company and the Cash Flow Statement 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.
2. 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies (Auditor's Report) Order, 2003 (as amended) from time to time issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
  - a) We have obtained all the information and the explanation, 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 appears from our examination of books.
  - c) The Balance Sheet, Profit and 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 and Loss Account and Cash Flow Statement

dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

- e) On the basis of written representations received from the directors of the Company as at 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as director of the Company under 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 accounts read together with the significant accounting policies and notes forming part of the accounts, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:-
  - (1) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2011; and.
  - (2) In the case of the Profit and Loss Account of the profit of the Company for the year ended on that date.
  - (3) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **A.K. Maheshwari & Associates**  
Chartered Accountants  
FRN- 500106N

(Anand Maheshwari)  
Proprietor  
M.No.073875

Place: New Delhi  
Date: 29th August, 2011

#### **ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE ON THE ACCOUNT OF M/S. RATHI GRAPHIC TECHNOLOGIES LIMITED FOR THE YEAR ENDED ON 31ST MARCH, 2011**

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of information available.

- b) According to the information and explanations given to us, 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 the assets. No material discrepancies were noticed on such verification.
- c) There was no substantial disposal of fixed assets during the year.
2. a) As explained to us, the inventories have been physically verified by the management at reasonable 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 inventory. There was no material discrepancies noticed on physical verification.
3. a) According to the information and explanations given to us, no loans or advances in the nature of loans have been granted to the Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and no conditions have been stipulated as regards the payment of interest and repayment of principle amount. Accordingly, clause iii(b) to clause iii(d) are not applicable.
- b) According to the information and explanations given to us, the Company has taken interest free unsecured loans from five parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amounts outstanding during the year against the said loans were Rs.1532.69 Lacs and the year end balance of loans received from such parties is Rs 1449.68 Lacs.
- c) In our opinion being interest free loan the terms and conditions on which loans have been taken from companies, firms or other parties listed in the registers maintained under Section 301 are not, prima facie, prejudicial to the interest of the Company.
- d) The principal amount is repayable on demand and there is no repayment schedule.
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 and fixed assets and for the sale of goods. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weakness in internal control system of the Company.
5. As explained to us, there has not been any transaction during the year that need to be entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding during the year to Rs. 5,00,000/- or more in respect of each such party.
6. The Company has not accepted any deposits from the public and therefore, the directive issued by Reserve Bank of India and provisions of Section 58-A and 58AA or any other provisions of companies Act, 1956 and rules framed thereunder do not apply to the Company.
7. The Company has adequate Internal Audit system which in our opinion, is commensurate with the size of the Company and nature of its business.
8. As informed to us, the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any products of the Company.
9. a) According to information and explanations given to us, the undisputed statutory dues in respect of provident fund, investor education and protection fund, or employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, have generally been regularly deposited during the year with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed statutory dues payable in respect of provident fund, investor education and protection fund, employees state insurance, Income Tax, Sales Tax, VAT, Wealth Tax, Custom Duty, Excise Duty, cess etc which are outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.
- c) According to confirmations and explanations given to us there are no statutory dues outstanding on account of any dispute other than the followings:

Name of the Statute	Nature of the Dues	Amount (in Rs.)	Period to which amount relates	Forum where dispute is pending
Central Excise Authorities	Cenvat Credit against Import of Capital Goods	12.81 Lacs	In the year 1995	The Central Excise and Service Tax appellate Tribunal

10. The Company has no accumulated losses at the end of the year and it has not incurred cash losses during the current financial year and the immediately preceding financial year.
11. According to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank.
12. According to information and explanations given to us and based on documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit fund, Nidhi or mutual benefit society. Hence, the requirements of clause 4 (xiii) of paragraph 4 of the Order is not applicable to the Company.
14. According to the information and explanations given to us, the company has given corporate guarantee to M/s. Rathi Rajasthan Steel Mills Limited for loans taken by others from bank or financial institutions.
15. As per the information and explanations given to us, the term loan has been applied for the purpose for which it is raised.
16. According to the information and explanations given to us, 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.

17. In our opinion and according to the intimation and explanations given to us, the Company is not dealer or trader in securities.
18. According to the information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures and other investment. Hence paragraph no.XIV of the order is not applicable to the Company.
19. The Company has not issued any debentures during the year. Hence, the requirements of clause (xix) of paragraph 4 of the Order are not applicable to the Company.
20. According to the information and explanations given to us, a fraud on or by the Company has not been noticed or reported during the year.
21. During the year covered by our audit report, the Company has not raised any money by way of Public issue.

**For A.K. Maheshwari & Associates**  
Chartered Accountants  
FRN- 500106N

**(Anand Maheshwari)**  
Proprietor  
M.No.073875

Place: New Delhi  
Date: 29<sup>th</sup> August, 2011



**RATHI GRAPHIC TECHNOLOGIES LIMITED****BALANCE SHEET AS AT 31ST MARCH,2011**

(Amount in Rs.)

	SCHEDULE	<u>31.03.2011</u>	<u>31.03.2010</u>
<b><u>SOURCES OF FUNDS</u></b>			
<b>SHARE HOLDER'S FUNDS</b>			
Share Capital	1	139390000	139390000
Reserves & Surplus	2	117649304	106001831
<b>LOAN FUNDS</b>			
Secured Loans	3	88916606	74322949
<b>UNSECURED LOANS</b>			
From Corporates	4		
From Bank		146951140	128971040
<b>TOTAL</b>		<u>2202130</u>	<u>6356914</u>
		<u>495109180</u>	<u>455042734</u>
<b><u>APPLICATION OF FUNDS</u></b>			
<b>FIXED ASSETS</b>			
Gross Block	5		
Less Depreciation		208521320	204486789
Capital Work in Progress		<u>78651006</u>	<u>72066250</u>
		129870314	132420539
		8950248	4784718
Investments	6	221359010	188531928
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
<b>i. Inventories</b>			
ii Sundry Debtors	7	69316343	68686448
iii Cash & Bank Balances	8	67145228	43331717
iv Loans & Advances	9	7360838	8018663
	10	<u>24440297</u>	<u>24499482</u>
Less : Current Liabilities & Provisions		168262706	144536310
Net Current Assets	11	<u>42526525</u>	<u>23558890</u>
		125736181	120977420
<b>DEFERRED TAX ASSETS</b>			
Opening Balance			
Add : Deferred Tax Assets Originated during the Period		8169439	7316633
		<u>932421</u>	<u>852806</u>
		9101860	8169439
<b>MISCELLANEOUS EXPENDITURE</b>			
	13	91567	158690
Significant Accounting Policies & Notes on Accounts	20		
<b>TOTAL</b>		<u>495109180</u>	<u>455042734</u>

As per our separate report of even date attached

For A.K. Maheshwari & Associates  
Chartered Accountants  
FRN.500106N(Anand Maheshwari)  
PROPRIETOR  
M.No.073875**(Raj Kumar Rathi)**  
Managing Director**(S.Biswas)**  
Chief Financial Officer**(Sandesh Jain)**  
Director**(Meenakshi Garg)**  
Company SecretaryPlace: New Delhi  
Date: 29th August, 2011

**RATHI GRAPHIC TECHNOLOGIES LIMITED****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 1.04.10 to 31.03.2011**

(Amount in Rs.)

**SCHEDULE**

		<u>31.03.2011</u>	<u>31.03.2010</u>
<b><u>INCOME</u></b>			
Gross Sales	14	208005391	197745732
Less: Excise Duty on Sales		17497346	15268715
<b>Net Sales</b>		<b>190508045</b>	<b>182477017</b>
Other Income	15	367001	983486
Increase/(Decrease) in Stock	12	-1040855	7952
<b>TOTAL</b>		<b>189834191</b>	<b>183468455</b>
<b><u>EXPENDITURE</u></b>			
Raw Material & Manufacturing Expenses	16	125913526	113493358
Administrative & Selling Expenses	17	32009930	36915449
Miscellaneous Expenses Written off	19	67123	67123
<b>TOTAL</b>		<b>157990579</b>	<b>150475930</b>
<b>Operating Profit (before Interest &amp; Depreciation)</b>		<b>31843612</b>	<b>32992525</b>
Interest /Finance Charges	18	12092469	12137452
<b>Profit before Depreciation &amp; Tax (PBDT)</b>		<b>19751143</b>	<b>20855073</b>
Depreciation		6523060	6495647
<b>Profit before Tax</b>		<b>13228083</b>	<b>14359426</b>
Provision for Income Tax		2636423	2440384
Revaluation Reserve- Building written back		0	246784
Provision for Deferred Tax (Liability)/Assets		932421	852806
Provision for Wealth Tax		0	4431
<b>Net Profit after Tax</b>		<b>11524081</b>	<b>13014201</b>
Profit / Loss brought forward from Last Year		2587786	(10426415)
Earning per share		0.83	0.93
Significant Accounting Policies & Notes on Accounts	20		
Balance Carried Over		<u>14111867</u>	<u>2587786</u>

As per our separate report of even date attached

For A.K. Maheshwari & Associates  
Chartered Accountants  
FRN.500106N**(Raj Kumar Rathi)**  
Managing Director**(Sandesh Jain)**  
Director**(Anand Maheshwari)**  
PROPRIETOR  
M.No.073875**(S.Biswas)**  
Chief Financial Officer**(Meenakshi Garg)**  
Company SecretaryPlace: New Delhi  
Date: 29th August, 2011

# RATHI GRAPHIC TECHNOLOGIES LIMITED

(Amount in Rs.)

31.03.2011

31.03.2010

## SCHEDULE 01

### SHARE CAPITAL

#### AUTHORISED

18500000 Equity share of Rs.10/- each

(Previous year 18500000 Equity share of Rs. 10/- each)

185000000

185000000

#### ISSUED, SUBSCRIBED

13939000 Equity Shares of Rs.10/- each called & fully paid up

(Previous year 13939000 Equity share of Rs.10/- each called & full paid up)

139390000

139390000

#### CALLED & PAID UP CAPITAL

13939000 Equity Shares of Rs.10/- each called & fully paid up

(Previous year 13939000 Equity share of Rs.10/- each called & full paid up)

139390000

139390000

139390000

139390000

## SCHEDULE 02

### RESERVES & SURPLUS

Profit and Loss account

Capital Reserve-share Forfeiture

14111867

2000000

2587786

2000000

Share Premium Account

Revaluation Reserve-Land & Building

30916000

70621437

30916000

70498045

117649304

106001831

### LOAN FUNDS

## SCHEDULE 03

#### SECURED LOANS

Term Loan-I from SBBJ

Term Loan-II from SBBJ

Term Loan-III from SBBJ

Working Capital Loan from State Bank

of Bikaner & Jaipur

Working Capital-SBL from State Bank of Bikaner & Jaipur

Kotak Mahindra Prime Limited

ICICI Bank

HDFC Bank

4042583

2148452

6549316

60061538

8180391

7450775

0

483551

88916606

8078973

3106700

58320233

0

3304029

1513014

74322949

### NOTES:

1. The Term loan I, II & III (a) Extension of First charge on all fixed and movable assets of the Company present and future by way of hypothecation of entire movable as well as fixed assets; (b) Equitable mortgage of Factory Land and Building. Collateral Security by extending of first charge on the Company's entire current assets (present and future).
2. Cash Credit and SLC - First hypothecation charge on the Company's entire current assets (present and future) and Collateral Security by extending of first charge on all fixed and movable assets of the Company present and future by way of hypothecation of entire movable as well as fixed assets and equitable mortgage of the Factory Land and Building.
3. The Term Loan and Cash Credit and SLC are further secured by personal gurantees of one director and his one relative.
4. Loan form Kotak Mahindra Prime Ltd and HDFC Bank is secured against hypothecation of cars.

### UNSECURED LOAN FUNDS

## SCHEDULE 04

From Bank

From Corporates & Others

2202130

146951140

149153270

6356914

128971040

135327954

**RATHI GRAPHIC TECHNOLOGIES LIMITED**

Fixed Assets

**SCHEDULE-05**  
(Amount in Rs.)

Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2010	Addition	Adjustment /Disposal	As at 31.03.2011	Up to 31.03.2010	For the Period	Dep. Adjusted	Total 31.03.2011	As at 31.03.2011	As at 31.03.2010
Lease Hold Land	71400000			71400000	0	0	0	0	71400000	71400000
Factory Building	38237274			38237274	16568648	1215429	(61697)	17845774	20391500	21668626
Plant & Machinery	69064619	3163989		72228608	45536818	3297856	0	48834674	23393934	23527801
Electric Installation	3876813	76455		3953268	2819708	187345	0	3007053	946215	1057105
Vehicle	11296146	602982		11899128	2997558	1082550	0	4080109	7819019	8298588
Tubewell	115941			115941	60798	3872	0	64671	51270	55143
Furniture & Fixture	5053269	550		5053819	1613701	319902	0	1933603	3120216	3439568
Office Equipment	4017099	175755		4192854	1518692	196648	0	1715341	2477513	2498407
Computers	1318856	14800		1333656	876506	214385	0	1090891	242765	442350
Tools & Dies	106772			106772	73819	5072	0	78891	27881	32953
<b>Total</b>	<b>204486789</b>	<b>4034531</b>	<b>0</b>	<b>208521320</b>	<b>72066250</b>	<b>6523060</b>	<b>(61697)</b>	<b>78651006</b>	<b>129870314</b>	<b>132420539</b>
Previous Year Ended on 31.03.2010	202742752	1744037	0	204486789	65570603	6495647	0	72066250	132420539	137172149
<b>Capital Work in Progress</b>										
Factory Building	4784718	736511		5521229	0	0	0	0	5521229	4784718
Plant & Machinery	0	3429019		3429019	0	0	0	0	3429019	4784718
<b>Total</b>	<b>4784718</b>	<b>4165530</b>	<b>0</b>	<b>8950248</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8950248</b>	<b>4784718</b>
Previous Year Ended on 31.03.2010 (WIP)	4168008	616710	0	4784718	0	0	0	0	4784718	4168008

**RATHI GRAPHIC TECHNOLOGIES LIMITED**

(Amount in Rs.)

**31.03.2011**      **31.03.2010****SCHEDULE 06****INVESTMENTS****A.Quoted (At Cost)**

Rathi Steel And Power Limited ( 24911 Shares @Rs.50 per share)	1245550	1245550
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**B.Unquoted (At Cost)**

Rathi Rajasthan Steel Mills Limited 54,00,000 Equity Shares of Rs.10/- each (54,00,000 Equity Shares of Rs.10/- each)	55500000	55500000
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**C.Unquoted (At Cost)**

Rathi Rajasthan Steel Mills Limited 3236380 Equity Shares of Rs.50/- each inclusive of Premium of Rs.40/- each (Nil)	161819000	113060000
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Residential Flat	2794460	367400
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Investment in Subsidiary Company	0	18358978
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<u>221359010</u>	<u>188531928</u>
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Note: Present Market Value of quoted shares of Rs.422241/- ( Previous of Rs.464590/-)

**SCHEDULE 07****INVENTORIES**

(As taken, valued &amp; Certified by the Management)

Raw material	26077407	25612075
--------------	----------	----------

Finished Goods	25213332	24551584
----------------	----------	----------

Stores & Spares	3730313	3539020
-----------------	---------	---------

Furnace Oil	73450	66906
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Packing Material	4448247	3207882
------------------	---------	---------

Work in Process	7213144	8915746
-----------------	---------	---------

Scrap	197000	197000
-------	--------	--------

Scheme Items	2363450	2596235
--------------	---------	---------

<u>69316343</u>	<u>68686448</u>
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**SCHEDULE 08****SUNDRY DEBTORS**

Debts outstanding for more than six months : Unsecured but considered good	1066545	3463679
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**Other debts :**

Unsecured but considered good	66078683	39868038
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<u>67145228</u>	<u>43331717</u>
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**SCHEDULE 09****CASH & BANK BALANCES**

Cash in Hand	1035635	5069001
--------------	---------	---------

Balance with Scheduled Bank		
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In Current Accounts	786635	945915
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In Deposit Accounts	5538568	2003747
---------------------	---------	---------

<u>7360838</u>	<u>8018663</u>
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# RATHI GRAPHIC TECHNOLOGIES LIMITED

(Amount in Rs.)

31.03.2011                      31.03.2010

## SCHEDULE 10

### LOANS & ADVANCES

(Unsecured & Considered good)

Advances Recoverable in Cash or in kind or for value to be received	5301108	8784254
Modvat Recoverable	136048	149903
Sales Tax Recoverable	3686905	3154505
Advance paid to Suppliers & Others	12992990	10451682
Security Deposits-Office & Others	1675663	1545755
Prepaid Expenses	272771	234597
Advance Tax paid	300000	100000
Tax Deducted at source	74812	78786
	<u>24440297</u>	<u>24499483</u>

## SCHEDULE 11

### CURRENT LIABILITIES & PROVISIONS

#### CURRENT LIABILITIES

Sundry Creditors-Raw Materials	28516015	7796214
Sundry Creditors-Expenses	6360594	6264872
Sundry Creditors-Others	2045347	3003446
Advance recd from Customer	120959	1792357
Security from Dealers	1190000	861000

#### PROVISIONS

Gratuity, Bonus & Leave Encashment Payable	1657187	1396187
Provision for Income Tax-Income Tax	2636423	2440384
Provision for Wealth Tax	0	4431
	<u>42526525</u>	<u>23558890</u>

## SCHEDULE 12

### INCREASE/ DECREASE IN STOCK

Opening Stock of Finished goods	24551584	24768288
Opening Stock of Scrap	197000	197000
Opening Stock of Semi Finished Goods	8915746	8691090
	<u>33664330</u>	<u>33656378</u>
Closing Stock of Finished Goods	25213332	24551584
Closing Stock of Scrap	197000	197000
Closing stock of Semi Finished Goods	7213144	8915746
	<u>32623476</u>	<u>33664330</u>
Increase/ Decrease in Stock	<u>-1040855</u>	<u>7952</u>

### MISCELLANEOUS EXPENDITURE

## SCHEDULE 13

(To the extent not written off or adjusted)

Deferred Revenue Expenditure	46197	67950
Misc. Expenditure	45370	90740
	<u>91567</u>	<u>158690</u>

# RATHI GRAPHIC TECHNOLOGIES LIMITED

(Amount in Rs.)

31.03.2011                      31.03.2010

## SALES

Sales-Manufacturing

208005391                      197745732

208005391                      197745732

## SCHEDULE 15

## OTHER INCOME

Dividend

7473                                      0

Interest \*

340806                                  235623

Miscellaneous Income

12693                                      693199

Previous Year Income

0    18860

Written off

6029                                        35804

367001                                  983486

\* Includes Tax Deduction at Source Rs.35,766/- (Previous year Rs. 39,740/-)

## RAW MATERIAL & MANUFACTURING EXPENSES

## SCHEDULE 16

Raw Material Consumed

97211253                                  89252307

Power & Fuel

11226619                                  11296305

Wages, Salaries & Benefits

12763890                                  10058490

Employer Contribution to EPF

474693                                      445088

Employer Contribution to ESI

222205                                      138777

Freight & Cartage

196486                                      241336

Stores Consumed

1774146                                      178773

Rates & Taxes

848304                                      540032

Insurance Premium

393888                                      389125

Repairs & Maintenance

Building

139896                                      216582

Plant & Machinery

662146                                      736543

125913526                                  113493358

## SCHEDULE 17

## ADMINISTRATIVE & SELLING EXPENSES

Director's Remuneration

2880000                                      2520000

Directors Sitting Fees

31500                                        9000

Donation

14457                                        366370

Payment to Auditors:

120000                                        120000

-Audit Fees

100000

-Tax Audit Fees

20000

Insurance Charges(Key Man insurance for Managing Director)

1055625                                      807190

Legal & Professional Expenses

509747                                      856116

Fees & Subscriptions

313777                                      395957

Repairs & Maintenance-Other

1398351                                      1689618

Miscellaneous Expenses

669457                                      579256

Packing Material Consumed

2321869                                      4616026

Postage & Telegram, Telephone and

1500847                                      1534146

Printing & Stationery Expenses

Rent

774138                                      756352

Research & Development Expenses

1765    350

Travelling & Conveyance Expenses

3659291                                      4938354

Service Tax

14966                                        0

Previous Year Expenses

314207                                        108806

Advertisement and Selling Expenses

16429932                                      17617908

32009930                                  36915449

**RATHI GRAPHIC TECHNOLOGIES LIMITED**

(Amount in Rs.)

**31.03.2011**                      **31.03.2010****INTEREST/FINANCE EXPENSES****SCHEDULE 18**

Interest on Term Loan	1059106	1766034
Interest on Working Capital Loan	6801749	6714878
Bank Charges	965554	868735
Interest on Car Loan	1294126	746961
Interest on Unsecured Loan	1196759	1347633
Interest others	661182	568592
Interest on Security Deposit from Customer	113992	124619
	<u>12092469</u>	<u>12137452</u>

**SCHEDULE 19****MISCELLANEOUS EXPENSES WRITTEN OFF**

Deferred Revenue Expenditure	21753	21753
Preliminary Expenses	45370	45370
	<u>67123</u>	<u>67123</u>



# RATHI GRAPHIC TECHNOLOGIES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH,2011

(Amount in Rs.)

PARTICULARS	Year ended March 31, 2011		Year ended March 31, 2010	
<b>A: CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit Before Tax		13228083		14359426
Add: Adjustment:				
Depreciation	6523060		6495647	
Interest & Finance Charge	12092469		12137452	
Interest Received	-340806		-235623	
Dividend Received	-7473		0	
Misc. Expenses Written off	67123		67123	
Other Income	-18722		-747863	
Profit/(Loss) on Sale of Fixed Assets	0	18315650	0	17716736
<b>Operating profit before Working Capital Change</b>		<b>31543733</b>		<b>32076162</b>
Add: Adjustment:				
Inventories	-629895		2645923	
Trade & Other Receivables	-23813511		-5264218	
Trade Payables	7517943	-16925463	13983	-2604312
<b>Cash Flow from operating activities</b>		<b>14618269</b>		<b>29471850</b>
Income Tax Paid		2636423		2440384
<b>NET CASH FLOW FROM OPERATING ACTIVITIES-A</b>		<b>11981846</b>		<b>27031466</b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES</b>				
Acquisition of Fixed Assets	-8200061		-2360748	
Acquisition of Investment	-32827082		-77755498	
Proceeds from Sales of Fixed Assets	0		0	
Proceeds from Sales of Investments	0		0	
Interest Received	340806		235623	
Dividend Received	7473		0	
Other Income	6029	-40672834	747863	-79132760
<b>NET CASH FLOW FROM INVESTING ACTIVITIES-B</b>		<b>-40672834</b>		<b>-79132760</b>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Issue of Shares/ Debentures etc.		0		-6483000
Proceeds from Long Term Borrowing/Others		28418973		69986589
Repayment of Loans and Advances		59186		-4366188
Interest & Finance Charge Paid		-12092469		-12137452
Reserve & Surplus		11647473		6359608
<b>NET CASH FLOW FROM FINANCING ACTIVITIES-C</b>		<b>28033163</b>		<b>53359577</b>
<b>NET CASH INFLOW/ (OVERFLOW) (A+B+C)</b>		<b>-657825</b>		<b>1258283</b>
CASH AND BANK BALANCE (OPENING BALANCE)		8018663		6760380
CASH AND BANK BALANCE (CLOSING BALANCE)		7360838		8018663

**Raj Kumar Rathl**  
(Managing Director)

**Sandesh Jain**  
(Director)

**S. Biswas**  
(Chief Financial Officer)

Place: New Delhi  
Dated: 29th August, 2011

**(Meenakshi Garg)**  
(Company Secretary)

We have examined the attached Cash Flow Statement of Rathi Graphic Technologies Limited for the year ended 31st March, 2011. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement entered into by the Company and is based on and in Agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 29th August, 2011 to the members of the Company.

**For A.K. Maheshwari & Associates**  
Chartered Accountants  
FRN-500106N

Place: New Delhi  
Dated: 29th August, 2011

**Anand Maheshwari**  
(Proprietor)  
M.No.073875

**A) SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF ACCOUNTING**

- a) The financial statements of the Company are prepared under the historical Cost Convention using Accrual Method of Accounting.
- b) The financial statements have been prepared in accordance with the mandatory Accounting Standards and relevant presentation requirements of the Companies Act, 1956.

**2. FIXED ASSETS AND DEPRECIATION**

- a) Fixed assets are accounted for at cost of acquisition inclusive of freight, duties, taxes, erection, installation and other incidentals related to acquisitions and exclusive of Excise Modvat recoverable on purchase of Capital Goods.
- b) Cost of fixed Assets acquired from outside India are converted into Indian rupees at the exchange rates prevailing on the date of disbursements.
- c) Depreciation on fixed Assets is provided on Straight Line Method considering single shift working in accordance with the rates specified in schedule XIV of the Companies Act, 1956 as amended by Notification No. GSR 756(E) dated 16th December, 1993 of the Ministry of Law, Justice & Company Law Affairs, Department of Company Affairs.

**3. INVESTMENT**

Investments are taken at cost.

**4. SALES**

Sales represents invoiced value of goods sold and services rendered, net of sales tax but inclusive of excise duty.

**5. INVENTORIES**

Inventories are valued as per AS-2 (Valuation of Inventories) issued by the ICAI as under:

- a) Stocks of Raw Materials are valued at cost by adopting FIFO Method.
- b) Stock of Work in process is valued at cost of Raw Material and proportionate direct manufacturing expenses.

c) Stock of stores, spares and packing material are valued at cost by adopting FIFO Method.

d) Stocks of finished goods are valued at lower of cost or net realizable value. Cost includes raw material cost and appropriate share of manufacturing expenses and is inclusive of depreciation and excise duty paid / payable thereon.

**6. RESEARCH AND DEVELOPMENT EXPENDITURE**

The capital expenditures are debited to the respective heads under fixed assets. The revenue expenditure is charged to revenue account and disclosed separately.

**7. BORROWING COSTS**

Borrowing costs attributable to acquisition, construction of qualifying assets are capitalized as part of cost of the relevant asset up to the date the asset is put to use. All other borrowing costs are recognized as an expense in the year in which they are incurred.

**8. FOREIGN CURRENCY TRANSACTIONS**

Transactions for foreign currency are recorded at the exchange rate prevailing on the date of transaction. For the foreign currency transactions outstanding at the end of the year, the exchange rate differences are being recognized at year end. However, foreign currency transactions which are settled up to the date of balance sheet, the exchange fluctuation is therefore accounted for on actual basis.

**9. RETIREMENT BENEFIT PLANS:**

Future liability for gratuity and leave encashment is determined on the basis of actuarial valuation at year end.

**10. PROVISION FOR CURRENT AND DEFERRED TAX:**

Provision for current tax assets and liability is estimated as per the provisions of the Income Tax Act, 1961

Deferred tax is recognized subject to the consideration of prudence on timing difference being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more period.

## 11. IMPAIRMENT OF ASSETS :

In case of indication of impairment of the carrying amount of the Company's assets, an asset's recoverable amount is estimated impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

Reversal of Impairment loss recognized in prior periods is recorded when there is an indication that the impairment loss recognized for the asset no longer exist or has decreased.

Post Impairment depreciation is provided on the revised carrying value of the asset over its remaining useful life.

## 12. REVENUE RECOGNITION

- i) Sales are recognized on dispatch of goods to customers.
- ii) Profit / Loss on sale of investment and Fixed Assets are recognized in the year of sale.

## 13. DEFERRED REVENUE EXPENDITURE

Deferred revenue expenditure is written off over a period of six year.

## 14. MISCELLANEOUS EXPENDITURE

Miscellaneous Expenditure is written off over a five year.

## B) NOTES ON ACCOUNTS

### 1. Contingent Liabilities not provided for:

- i) Letter of Credit established in favour of the suppliers for import of raw materials Rs. 94,31,230/- (Previous Year Rs.62,61,779/-).
- ii) The Company has filed an appeal against the balance of Rs.12.81 Lacs against imported capital goods on 03.03.2007. The Central Excise Authorities have issued a stay order vide order no.1141/2007 ex dated 26/11/2007. The Present impugned order is passed in pursuance to remand order passed by the Tribunal. The Amount already deposited is sufficient for hearing of the appeal.

### 2. The unavailed exemption for sales tax vide department letter dated 13.01.2004 as per details given below :

From	To	Extent of exemption
6.9.2010	5.9.2011	40 %
6.9.2011	5.9.2012	30 %
6.9.2012	5.9.2013	30 %

3. In the opinion of the Management all the current assets are realizable at the stated value.

4. The components of Deferred Tax Asset / Deferred Tax Liability in accordance with AS22 "Accounting for Taxes on Income" as on 31/3/2011 are as follows:

	Current Year Amount (In Rs.)	Previous Year Amount (In Rs.)
<b>Deferred Tax Assets</b>		
Depreciation	24,31,169	24,29,971
Gratuity Provision	2,99,959	66,605
Interest Unpaid	Nil	Nil
Bonus Unpaid	Nil	Nil
Provision for Leave Encashment	12,093	12,416
B/F Losses		
Deferred Tax Assets		
Deferred Tax Liabilities		
Depreciation		
B/F Losses		
	27,43,221	25,08,992

Net Deferred Tax Assets /(Liabilities)

Charged to P&L Account (33.99%) 9,32,421 8,52,806

Net Deferred Tax Assets

Transferred to B/S 91,01,860 81,69,439

5. Salaries and wages includes Current Year Previous Year  
Rs. Rs.

Employer Contribution to Provident

Fund: 4,74,693/- 4,45,088/-

Employer Contribution to ESI 2,22,205/- 1,38,777/-

6,96,898/- 5,83,865/-

6. Payment to Auditors Current Year Previous Year

For Statutory Audit Rs.1,10,300/- Rs. 1,10,300/-

For Tax Audit Rs. 22,060/- Rs. 22,060/-

Rs.1,32,360/- Rs. 1,32,360/-

7. Interest @ 10 % per annum. has been provided on security deposit received from dealers.

### 8. Managerial Remuneration

(Amount in Rs.)

	For the Year ended on 31/03/2011	For the Year ended on 31/03/2010
<b>Directors Remuneration</b>		
Salary	28,80,000	25,20,000
Sitting Fees	31,500/-	9,000/-

9. Related party transactions:

Sr. no.	Name of the Party	Relationship	Nature of Transaction	Transaction amount	Outstanding as on 31.3.2011
1	Alpha Stock Finservices Pvt.Ltd.	Shri Raj Kumar Rathi is a Director	Unsecured Loan	19789000	60461350
3	Rathi Electrosteel Ltd.	Shri Raj Kumar Rathi is a Director	Unsecured Loan	900	2574100
4	Rathi Iron And Steel Industries Ltd.	Relative of Director	Unsecured Loan	18877880	475692
5.	Shark Packaging (I) Pvt.Ltd.	Shri Raj Kumar Rathi is a Director	Unsecured Loan	17870000	81245750
8	Shri Raj Kumar Rathi	Director	Remuneration	2880000	175000
9	Rathi Rajasthan Steel Mills Limited	Director	Investment in Subsidiary Company	87262973	217319000

10. Loans & Advances include an amount of Rs.3,154,505/- towards CST including surcharge recoverable from Sales Tax Authority. This figure represents the excess amount paid to the Authority and correspondingly, Current liabilities also include this amount as refundable to the customers.

11. Necessary disclosures required under the Micro, Small and Medium Enterprises Development Act,2006, can only be considered once relevant information to identify the suppliers who are covered the said Act are received from such parties/suppliers.

12. Additional information pursuant to provisions of Part – II, schedule VI of the Companies Act, 1956 to the extent not applicable has not been given.

13. The Company has acquired 100% shares of M/s. Rathi Rajasthan Steel Mills Limited and resolution have been passed by Board of Directors on dated 24th September, 2007. M/s. Rathi Rajasthan Steel Mills Limited is setting up a plant for manufacture of superior quality reinforcement CTD/TMT bars and wire roads etc. with an installed capacity of 75,000 TPA. The Company has increased installed capacity of 75000 TPA to 100000 TPA during the financial year 2010-2011 and has achieved gross sales of Rs. 288.65 Crores for the financial year 2010-2011.

14. Depreciation on Revaluation Reserve for Building had been booked twice in the financial year 2009-2010. This year rectification entry has been passed in books of accounts.

15. Quantitative information pursuant to the provisions of paragraphs 3,4 C and 4 D of part II of schedule VI of the companies Act, 1956. Previous Year's figures have been given in brackets.

**a) Licenced, Installed capacity and Actual production :**

PARTICULARS	UNIT	LICENCED CAPACITY	INSTALLED CAPACITY	ACTUAL
Toners	KG	330000 (330000)	330000 (330000)	4,15,539.280 (4,26,304.510)
Developers	KG	100000 (100000)	100000 (100000)	255.00 ( 377.00)

**b) Particulars in respect of Sales :**

PARTICULARS	QUANTITY (KG)	VALUE (RS.)
Toners	<b>409923.1000</b> (426758.580)	<b>20,77,84,383.00</b> (19,72,58,202.00)
Developers & Others	<b>410.590</b> (145.40)	<b>2,21,008.00</b> (4,87,530.00)

**c) Details of Finished Goods**

I. Opening Stock	QUANTITY (KG)	VALUE (RS.)
Toners	<b>73,894.230</b> (74,348.300)	<b>2,38,22,325.00</b> (2,43,30,625.00)
Developers	<b>593.60</b> ( 362.20)	<b>7,29,259.00</b> (4,36,751.00)
II. Closing Stock		
Toners	79,510.410 (73,894.230)	2,47,10,411.00 (2,38,22,325.00)
Developers	438.010 (593.60)	5,02,921.00 (7,29,259.00)

**d) Details of Raw Material consumed during the year**

	QUANTITY (KG)	VALUE (RS.)
Raw Toners/Developers	4,16,169.940 (4,33,452.114)	9,72,11,253.00 (8,92,52,307.00)

**e) Value of Raw Materials, Spare parts & Components consumed during the period :**

	VALUE (RS.)
Raw Materials (Imported)	7,94,39,953.00 (8,92,52,307.00)
(Indigenous)	1,77,71,300.00 (Nil)
Stores, Spare parts & Components	17,74,146.00 (1,78,773.00)

f) Value of imports during the year (CIF Basis but Exclisiv of Custom Duty)

Raw Materials	7,80,51,062.00 (8,54,99,123.00)
---------------	------------------------------------

g) Expenditure in foreign currency during the period

Traveling & reimbursement Expenses	389166.00 (Nil)
------------------------------------	--------------------

16. NOTE:

Schedule 1 to 20 form an integral part of the Balance Sheet and Profit & Loss Account together with the Auditor's Report.

Previous year figures have been regrouped / rearranged wherever necessary.

17. Balance Sheet Abstract and Company's General Business Profile as per Part III of Schedule VI of the Act.

1. Registration Details :

Registration No.	20 – 13770		
State Code	20		
Balance Sheet	DD	MM	YY
	31	03	2011

2. Capital Raised during the year  
(Amount in Rs. Thousands)

Public Issue	Right Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil

3. Position of Mobilisation and Deployment of funds  
(Amount in Rs. Thousands)

<b>Total Liabilities</b>	<b>Total Assets</b>
495109	495109

**Source of Funds**

<b>Paid-up Capital</b>	<b>Reserves &amp; Surplus</b>
139390	117649
<b>Secured Loans</b>	<b>Unsecured Loans</b>
88917	149153

**Application of Funds**

<b>Net Fixed Assets</b>	<b>Investments</b>
138821	221359
<b>Net Current Assets</b>	<b>Misc. Expenditure</b>
125736	92
<b>Deferred Tax Assets</b>	<b>Accumulated Losses</b>
9102	NIL

4. Performance of Company  
(Amount in Rs. Thousands)

<b>Turnover</b>	<b>Total Expenditure</b>
190875	176606
<b>Profit before Tax</b>	<b>Deferred Tax Assets(Originated during the year)</b>
13228	932
	<b>Profit after Tax</b>
	11524
<b>Earning Per Share in Rs.</b>	<b>Dividend</b>
0.83	Nil

5. Generic Names of Three Principal Products / Services of Company

(As per monetary terms)
Item Code No. (ITC Code)
Product Description: <b>Toner for Photocopier</b>
Item Code No. (ITC Code)
Product Description: <b>Developer for Photocopier</b>

For A.K. Maheshwari & Associates  
Chartered Accountants

(Anand Maheshwari)  
Proprietor

(Raj Kumar Rathi)  
Managing Director

(Sandesh Jain)  
Director

(S.Biswas)  
Chief Financial Officer

Place : New Delhi  
Date : 29th August, 2011

(Meenakshi Garg)  
Company Secretary

S.No.	Particulars	
1.	Name of the Subsidiary	RGTL Industries Limited (Formerly Rathi Rajasthan Steel Mills Limited)
2.	Financial year ended on	31st March 2011
3.	Shares of the Subsidiary held by the Company on the above date a. Number of shares b. Face value per share c. Extent of holding	8636380 Rs. 10/- 100.00%
4.	The net aggregate amount of profit/(loss) of the subsidiary so far as it concerns the members of the Holding Company and is not dealt with in Accounts of the Holding Company a. For the Financial Year ended on March 31, 2011 b. For the other previous financial years of the Subsidiary since it became as Subsidiary	(in Rs.) NA NA
5.	The net aggregate amount of profit/(loss) of the subsidiary so far as it concerns the members of the Holding Company dealt with or provided for in the Accounts of the Holding Company a. for the Financial Year ended on March 31, 2010 b. for the other previous financial years of the Subsidiary since it became as Subsidiary	(in Rs.) 4,38,13,261 Nil
6.	Changes in the holding Company's interest in the Subsidiary between the end of financial year of the subsidiary and the end of the holding Company's financial years	As the financial year of the Subsidiary Company coincides with the financial year of the Holding Company, Section 212(5) of the Companies Act, 1956 is not applicable
7.	Material Changes which have occurred between the end of the aforesaid financial year of the subsidiary and the end of the holding company's financial year in respect of a. the subsidiary's fixed assets b. Its investments c. monies lent by the Subsidiary Company d. The money borrowed by it for any purpose other than that of meeting current liabilities	As the financial year of the Subsidiary Company coincides with the financial year of the Holding Company, Section 212(5) of the Companies Act, 1956 is not applicable

**A.K. Maheshwari & Associates**  
For Rathi Graphic Technologies Limited

**Raj Kumar Rathi**  
Managing Director

**Sandesh Jain**  
Director

**Meenakshi Garg**  
Company Secretary

Place: New Delhi  
Date: 29th August, 2011

**Auditors' Report on Consolidated Financial Statements**

**To The Board of Directors**

**M/S. Rathi Graphic Technologies Limited**

We A.K.Maheshwari & Associates have audited the attached consolidated Balance Sheet of M/s Rathi Graphic Technologies Limited and its subsidiary as at 31st March, 2011, the Consolidated Profit and Loss Accounts and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of M/s.Rathi Graphic Technologies Limited's management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the 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 prepared, in all materials respects, in accordance with and identified financial reporting framework and are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

1. We did not audit the financial statements of the subsidiary M/s.RathiRajasthan Steel Mills Limited, whose financial statements reflect total assets of Rs. 137,53,94,797/- as at 31st March,2011 and total gross sales of Rs. 2886542521/- and net cash flows amounting to Rs. (213746/-) for the year then ended. These financial statements and other financial information have been audited by other auditor whose report has been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of the subsidiary, is

based solely on the report of the other auditors.

2. We report that the consolidated financial statements have been prepared by the Company's managements in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements, as notified by the Companies (Accounting Standards) Rules, 2006.
3. Based on our audit as aforesaid, and on consolidation of reports of other auditors on the separate financial statements/ consolidated financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in case of the Consolidated Balance Sheet, of the State of Affairs of the Company as at 31st March, 2011;
  - b) in case of the Consolidated Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
  - c) in case of the Consolidated Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

**For A.K. Maheshwari & Associates**

Chartered Accountants  
FRN- 500106N

**(Anand Maheshwari)**  
Proprietor  
M.No.073875

Place: New Delhi  
Date: 29th August, 2011

**Consolidated Financial Statements of  
Rathi Graphic Tehnologies Lfd and Its Subsidiary  
BALANCE SHEET AS AT 31st March,2011**

(Amount in Rs.)

	SCHEDULE	31.03.2011	31.3.2010
<b>SOURCES OF FUNDS</b>			
<b>SHARE HOLDER'S FUNDS</b>			
Share Capital	1	139390000	139390000
Reserves & Surplus	2	595695561	115058018
<b>LOAN FUNDS</b>			
Secured Loans	3	632298929	441946149
<b>UNSECURED LOANS</b>			
From Corporates	4	261679140	191621039
From Others		8744504	6356914
Dererred Tax Liabilities		6274983	
<b>TOTAL</b>		<b>1644083117</b>	<b>894372120</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	1184347522	628298711
Less Depreciation		107715873	87032938
Capital Work in Progress		9084333	541265773
Investments in others	6	5243010	24220825
1615950			
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
i. Inventories	7	211568306	164886016
ii Sundry Debtors	8	453107679	174108163
iii Cash & Bank Balances	9	29308372	30179943
iv Loans & Advances	10	79128391	82736706
		773112748	451910827
Less : Current Liabilities & Provisions	11	222931584	125955520
Net Current Assets		550181164	325955307
<b>DEFERRED TAX ASSETS</b>			
Opening Balance		0	7316633
Add : Deferred Tax Assets/(Liabilities) Originated during the Period		0	-6467501
			849132
<b>MISCELLANEOUS EXPENDITURE</b>	13	363961	465133
<b>PRE-OPERATIVE EXPENSES</b>			
Opening Balance		0	0
Add: Addition During the Year		2579000	0
			0
<b>PROFIT AND LOSS ACCOUNT</b>			
Significant Accounting Policies & Notes on Accounts	20	0	0
<b>TOTAL</b>		<b>1644083117</b>	<b>894372120</b>

As per our separate report of  
even date attached  
For A.K. Maheshwari & Associates  
Chartered Accountants  
Reg.No.500106N

(Raj Kumar Rathl)  
Managing Director

(Sandesh Jain)  
Director

(Anand Maheshwari)  
PROPRIETOR  
M.No.073875

(S. Biswas)  
Chief Financial Officer

(Meenakshi Garg)  
Company Secretary

Place: New Delhi  
Date: 29th August,2011



**Consolidated Financial Statements of  
Rathi Graphic Tehnologies Ltd and Its Subsidiary  
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

(Amount in Rs.)

<b>INCOME</b>	<b>SCHEDULE</b>	<b>31.03.2011</b>	<b>31.3.2010</b>
Gross Sales	14	3094547912	1471881803
Less: Excise Duty on Sales		244118442	112274518
<b>Net Sales</b>		<b>2850429470</b>	<b>1359607285</b>
Other Income	15	16471209	4849597
Increase/(Decrease) in Stock	12	5900490	59047163
<b>TOTAL</b>		<b>2872801169</b>	<b>1423504045</b>
<b>EXPENDITURE</b>			
Raw Material & Manufacturing Expenses	16	2653275868	1268127251
Administrative & Selling Expenses	17	51656393	52718875
Miscellaneous Expenses Written off	19	101172	101172
<b>TOTAL</b>		<b>2705033433</b>	<b>1320947297</b>
<b>Operating Profit (before Interest &amp; Depreciation)</b>		<b>167767736</b>	<b>102556747</b>
Interest /Finance Charges	18	69137445	45198338
<b>Profit before Depreciation &amp; Tax (PBDT)</b>		<b>98630291</b>	<b>57358409</b>
Depreciation		20621239	21462335
<b>Profit before Tax</b>		<b>78009052</b>	<b>35896074</b>
Provision for Income Tax		15547594	6100538
Revaluation Reserve- Building written back		0	246784
Provision for Deferred Tax (Liability)/Assets		-7124116	-6467501
Provision for Wealth Tax		0	4431
<b>Net Profit after Tax</b>		<b>55337342</b>	<b>23570388</b>
Profit / Loss brought forward from Last Year		13143973	(10426415)
Earning per share		3.97	1.69
Significant Accounting Policies & Notes on Accounts	20		
Balance Carried Over		<b>68481315</b>	<b>13143973</b>

As per our separate report of  
even date attached

For A.K. Maheshwari & Associates  
Chartered Accountants  
Reg.No.500106N

(Raj Kumar Rathi)  
Managing Director

(Sandesh Jain)  
Director

(Anand Maheshwari)  
PROPRIETOR  
M.No.073875

(S.Biswas)  
Chief Financial Officer

(Meenakshi Garg)  
Company Secretary

Place: New Delhi  
Date: 29th August,2011

**Consolidated Financial Statements of  
Rathi Graphic Tehnologies Ltd and Its Subsidiary**

(Amount in Rs.)

**31.03.2011**

**31.3.2010**

**SHARE CAPITAL**

**SCHEDULE 01**

**AUTHORISED**

18500000 Equity share of Rs.10/- each	185000000	185000000
(Previous year 18500000 Equity share of Rs. 10/- each)		

**ISSUED, SUBSCRIBED**

13939000 Equity Shares of Rs.10/- each called & fully paid up	139390000	139390000
(Previous year 13256000 Equity share of Rs.10/- each called & full paid up)		

**CALLED & PAID UP CAPITAL**

13939000 Equity Shares of Rs.10/- each called & fully paid up	139390000	139390000
(Previous year 13939000 Equity share of Rs.10/- each called & full paid up)		
	<u>139390000</u>	<u>139390000</u>

**SCHEDULE 02**

**RESERVES & SURPLUS**

Profit and Loss account during the year	68481315	13143973
Capital Reserve-share forfeiture	2000000	2000000
Share Premium Account	30916000	30916000
Revaluation Reserve-Land & Building	495798246	70498045
Goodwill	-1500000	-1500000
	<u>595695561</u>	<u>115058018</u>

**LOAN FUNDS**

**SCHEDULE 03**

**SECURED LOANS**

Term Loan-I from SBBJ	4042583	8078973
Term Loan-II from SBBJ	2148452	3106700
Term Loan-III from SBBJ	6549316	
Term Loan-I from SBI	238041990	250000000
Term Loan-II from SBI	70713715	0
Working Capital Loan from State Bank of Bikaner & Jaipur	60061538	58320233
SLC from State Bank of Bikaner & Jaipur	8180391	
Working Capital Loan from State Bank of India	213006864	97341204
SLC from State Bank of India	21140993	19500000
ICICI Bank		3304029
Kotak Mahindra Prime Limited	7450776	
HDFC Bank	483551	1513014
Others	478760	781996
	<u>632298929</u>	<u>441946149</u>

**NOTES:**

1. The Term loan I, II & III from State Bank of Bikaner & Jaipur (a) Extension of First charge on all fixed and movable assets of the Company present & future by way of hypothecation of entire movable as well as fixed assets; (b) Equitable mortgage of Factory Land and Building. Collateral Security by extending of first charge on the Company's entire current assets (present and future).
2. Cash Credit and SLC from State Bank of Bikaner & Jaipur - First hypothecation charge on the Company's entire current assets (present and future) and Collateral Security by extending of first charge on all fixed and movable assets of the Company present and future by way of hypothecation of entire movable as well as fixed assets and equitable mortgage of the Factory Land and Building.
3. For all loans from State Bank of Bikaner & Jaipur are further secured by personal guarantees of one director and his one relative.
4. The Term loan from State Bank of India is secured by first hypothecation charge by covering entire Fixed Assets of the Company. Collateral security by extending of 2nd charge over Company's entire current assets.
5. The Working Capital (including SLC) from State Bank of India is covered by way of hypothecation over entire current assets of the Company. Collateral security by extending of 2nd charges over company's entire fixed assets by way of equitable mortgage of factory land & building at Chopank, Rajasthan.
6. For all loans from State Bank of India FDR of Rs. 2.00 Crores and personal guarantee of two Directors.
7. Loan from Kotak Mahindra Prime Ltd., HDFC Bank and others is secured against hypothecation of cars and hydra crane.

**UNSECURED LOAN FUNDS**

**SCHEDULE 04**

Unsecured Loan from Corporates	261679140	191621039
Unsecured Loan from Others	8744504	6358914
	<u>270423644</u>	<u>197977953</u>

**Consolidated Financial Statements of  
Rathi Graphic Tehnologies Ltd and Its Subsidiary**

**SCHEDULE -05  
(Amount in Rs.)**

**Fixed Assets**

Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2010	Addition	Adjustment /Disposal	As at 31.03.2011	Up to 31.03.2010	For the Period	Dep. Adjusted	Total 31.03.2011	As at 31.03.2011	As at 31.03.2010
Lease Hold Land	127147470	425100030		552247500	0	0	0	0	552247500	127147470
Factory Building & Shed	152456617	36570806		189027423	19774722	1215429	-61696	21051847	167975576	132681895
Plant & Machinery	292283736	90807265		383091001	55886619	15658865	0	71545484	311545517	236397117
Electric Installation	31608631	1587817		33196448	3972758	1532260	0	5505018	27691430	27635874
Vehicle	11382386	706451		12088837	3001852	1094901	0	4096753	7992084	8390534
Tubewell	256081	0		256081	65005	8553	0	73558	182523	191077
Furniture & Fixture	5657777	524355		6182132	1646248	369247	0	2015495	4166637	4011529
Office Equipment	4495999	336338		4832237	1536745	222963	0	1759708	3072529	2959154
Computers	2903342	415750		3319092	1075171	513948	0	1599119	1729973	1828171
Tools & Dies	106772	0		106772	73819	5072	0	78891	27881	32953
<b>Total</b>	<b>628298711</b>	<b>556048612</b>	<b>0</b>	<b>1184347523</b>	<b>87032936</b>	<b>20621239</b>	<b>-61696</b>	<b>107715873</b>	<b>1076631650</b>	<b>541265773</b>
Previous Year Ended on 31.03.2010	252416112	375882599	0	628298711	65570602	21462335	0	87032938	541265773	186845510
<b>Capital Work in Progress</b>										
<b>Assets</b>	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2010	Addition	Adjustment /Disposal	As at 31.03.2011	Up to 31.03.2010	For the Period	Dep. Adjusted	Total 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land Development	3347717		3347717	0				0	0	3347717
Factory Building and Shed	18179400	870596	13394682	5655314				0	5655314	18179400
Plant & Machinery	2693707	3429019	2693707	3429019				0	3429019	2693707
Other Misc Fixed Assets	0			0				0	0	0
<b>TOTAL</b>	<b>24220824</b>	<b>4296615</b>	<b>19436106</b>	<b>9084333</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9084333</b>	<b>24220824</b>
Previous Year Ended on 31.03.2010	260021592	132263684	368064452	24220824	0	0	0	0	24220824	24220824

**Consolidated Financial Statements of  
Rathi Graphic Tehnologies Ltd and Its Subsidiary**

(Amount in Rs.)

**31.03.2011**                      **31.3.2010**  
**SCHEDULE 06**

**INVESTMENTS**

**A.Quoted (At Cost)**

Rathi Udyog Limited ( 24911 Shares @Rs.50 per share)

1245550                      1245550

**B.Others (At Cost)**

Investment in NSC/SBI Insurance

1203000                      3000

**D.Immovable Properties**

Residential Flat

2794460                      367400

**5243010**                      **1615950**

Aggregate Value of Quoted investment Rs.12,45,550/- and market value of quoted investment of Rs.4,22,241/- (Previous year Rs.4,64,590/-)

**SCHEDULE 07**

**INVENTORIES**

(As taken, valued & Certified by the Management)

Raw material	91947978	56886159
Finished Goods	76139127	80095983
Stores & Spares	12268467	8274916
Furnace Oil	1936133	1217283
Packing Material	4448247	3207882
Work in Process	7213144	8915746
Scrap	15251760	3691812
Scheme Items	2363450	2596235
	<b>211568306</b>	<b>164886016</b>

**SCHEDULE 08**

**SUNDRY DEBTORS**

Debts outstanding for more than six months : Unsecured but considered good	8301105	3463679
Other debts : Unsecured but considered good	444806574	170644484
	<b>453107679</b>	<b>174108163</b>

**SCHEDULE 09**

**CASH & BANK BALANCES**

Cash in Hand	1739657	5168415
Balance with Scheduled Bank		
In Current Accounts	2030147	1287781
In Margin Money Accounts	5538568	3723747
Term Deposit with SBI	20000000	20000000
	<b>29308372</b>	<b>30179943</b>

**Consolidated Financial Statements of  
Rathi Graphic Tehnologies Ltd and Its Subsidiary**

(Amount in Rs.)

**31.03.2011** **31.3.2010**

**SCHEDULE 10**

**LOANS & ADVANCES**

(Unsecured & Considered good)

Advances Recoverable in Cash or in kind or for value to be received	18764206	18494618
Cenvat & Vat Recoverable	18571319	27824978
Advance paid to Suppliers & Others	25802071	26091932
Security Deposits-Office & Others	7113388	6329361
Prepaid Expenses	312388	263822
Tax Deducted at source	2365019	2965494
Advance Tax Paid	6200000	766500
	<u>79128391</u>	<u>82736706</u>

**SCHEDULE 11**

**CURRENT LIABILITIES & PROVISIONS**

**CURRENT LIABILITIES**

Sundry Creditors-Raw Materials	119213737	75718957
Sundry Creditors-Expenses	47799666	18107795
Sundry Creditors-Others	19961347	18447020
Advance recd from Customer	17123325	5044620
Security from Dealers	1190000	861000

**PROVISIONS**

Gratuity,Bonus & Leave Encashment Payable	2095915	1671160
Provision for Income Tax	15547594	6100538
Provision for Wealth Tax	0	4431
	<u>222931584</u>	<u>125955520</u>

**SCHEDULE 12**

**INCREASE/ DECREASE IN STOCK**

Opening Stock of Finished goods	80095983	24768288
Opening Stock of Scrap	3691812	197000
Opening Stock of Semi Finished Goods	8915746	8691090
	<u>92703541</u>	<u>33656378</u>
Closing Stock of Finished Goods	76139127	80095983
Closing Stock of Scrap	15251760	3691812
Closing stock of Semi Finished Goods	7213144	8915746
	<u>98604031</u>	<u>92703541</u>
Increase/ Decrease in Stock	<u>5900490</u>	<u>59047163</u>

**MISCELLANEOUS EXPENDITURE**

**SCHEDULE 13**

(To the extent not written off or adjusted)

Deferred Revenue Expenditure	46197	67950
Misc. Expenditure	45370	90740
Preliminary Expenses	272394	306443
	<u>363961</u>	<u>465133</u>

**Consolidated Financial Statements of  
Rathi Graphic Tehnologies Ltd and Its Subsidiary**

(Amount in Rs.)

	31.03.2011	31.3.2010
<b>SALES</b>		
Sales-Manufacturing	3094547912	1471881803
	<u>3094547912</u>	<u>1471881803</u>

**SCHEDULE 14**

**OTHER INCOME**

Dividend	7473	0
Interest *	2571556	3636147
Miscellaneous Income	971518	693199
Previous Year Income	3368751	18860
Interest Subsidy 50% on Interest on Term Loan or Sales Tax paid whichever is less	7753956	465221
Export Incentivs	1763019	
Written off	34936	36170
	<u>16471209</u>	<u>4849597</u>

**SCHEDULE 15**

\*Includes Tax Deducted at Source Rs.258841/-(Previous Year Rs.538862/-)

**RAW MATERIAL & MANUFACTURING EXPENSES**

Raw Material Consumed	2475783244	1161624788
Power,Fuel & Oil Consumed	133458862	78428427
Wages, Salaries & Benefits	30279227	22674718
Employer Contribution to ESI	401442	288769
Employer Contribution to EPF	715864	690159
Freight & Cartage	215196	287626
Stores Consumed	8763118	1420728
Rates & Taxes	848304	540032
Insurance Premium	1245513	768082
Testing Charges	28964	24182
Royalty	506478	187944
<b>Repairs &amp; Maintenance</b>		
Building	204896	216582
Plant & Machinery	824760	975213
	<u>2653275868</u>	<u>1268127251</u>

**SCHEDULE 16**

**ADMINISTRATIVE & SELLING EXPENSES**

Director's Remuneration	4670000	2940000
Directors Sitting Fees	31500	9000
Donation	20657	388370
Payment to Auditors:	195000	195000
-Audit Fees	160000	
-Tax Audit Fees	<u>35000</u>	
Insurance Charges(Key Man insurance for Managing Director)	1055625	807190
Legal & Professional Expenses	1385302	2292581
Fees & Subscription	523276	767776
Repairs & Maintance-Other	2108568	1784345
Miscellaneous Expenses	1238702	1236496
Packing Material Consumed	2321869	4616026
Postage & Telegram, Telephone and	2004864	1905865
Printing & Stationery Expenses		
Rent	916033	2156472
Research & Development Expenses	1765	350
Travelling & Conveyance Expenses	5674829	6080509
Service Tax	3020444	
Previous Year Expenses	357207	108806
Advertisement & Selling Expenses	<u>26130752</u>	<u>27430089</u>
	<u>51656393</u>	<u>52718875</u>

**SCHEDULE 17**

**Consolidated Financial Statements of  
Rathi Graphic Tehnologies Ltd and Its Subsidiary**

(Amount in Rs.)

	<u>31.03.2011</u>	<u>31.3.2010</u>
<b><u>INTEREST/FINANCE EXPENSES</u></b>		<b>SCHEDULE 18</b>
Interest on Term Loan	36404373	26119682
Interest on Working Capital Loan	25507553	13775559
Bank Charges	2610623	1788099
Interest on Car Loan	1294126	746961
Interest on Unsecured Loan	1196759	1347633
Interest others	1821131	650785
Precessing Fees	188888	645000
Interest on Security Deposit from Customer	113992	124619
	<u>69137445</u>	<u>45198338</u>

**SCHEDULE 19**

**MISCELLANEOUS EXPENSES WRITTEN OFF**

Deferred Revenue Expenditure	21753	21753
Preliminary Expenses	79419	79419
	<u>101172</u>	<u>101172</u>

**Consolidated Financial Statements of  
Rathi Graphic Tehnologies Ltd and Its Subsidiary  
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH,2011**

(Amount in Rs.)

PARTICULARS	Year ended March 31, 2011		Year ended March 31, 2010	
<b>A: CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit Before Tax		78009052		35896073
Add: Adjustment:				
Depreciation	20621239		21462335	
Interest & Finance Charge	69137445		45198338	
Interest Received	-2571556		-3636147	
Interest Subsidy	-7753956			
Export Incentive	-1763019			
Dividend Received	-7473		0	
Previous Year Income	-3368751			
Misc. Expenses Written off	101172		101172	
Misc Income	-1008454		-748229	
Profit/(Loss) on Sale of Fixed Assets	0	73388647	0	62377470
<b>Operating profit before Working Capital Change</b>		<b>151397699</b>		<b>98273543</b>
Add: Adjustment:				
Inventories	-46682290		-93553645	
Trade & Other Receivables	-27899516		-138040665	
Trade Payables	41700417	-283981389	86077870	-143516440
<b>Cash Flow from operating activities</b>		<b>-132583690</b>		<b>-45242897</b>
Income Tax Paid		15547594		3760153
<b>NET CASH FLOW FROM OPERATING ACTIVITIES-A</b>		<b>-148131284</b>		<b>-49003050</b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES</b>				
Acquisition of Fixed Assets	-540912319		-61103432	
Pre-operative Expenses (Allocation for Capitalised)	-2579000		0	
Acquisition of Investment	-3627060		-77755498	
Proceeds from Sales of Fixed Assets	0		0	
Proceeds from Sales of Investments	0		0	
Interest Received	2571556		3836147	
Interest Subsidy	7753956		0	
Export Incentive	1763019		0	
Dividend Received	7473		0	
Previous Year Income	3368751		0	
Misc Income	1006454	-530647170	748229	-134474554
<b>NET CASH FLOW FROM INVESTING ACTIVITIES-B</b>		<b>-530647170</b>		<b>-134474554</b>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Issue of Shares/ Debentures etc.		0		4993096
Proceeds from Long Term Borrowing/Others		262798471		273777309
Repayment of Loans and Advances		3608315		-32917160
Interest & Finance Charge Paid		-69137445		-45198338
Reserve & Surplus		480637543		6359608
<b>NET CASH FLOW FROM FINANCING ACTIVITIES-C</b>		<b>677906884</b>		<b>207014515</b>
<b>NET CASH INFLOW/ (OVERFLOW) (A+B+C)</b>		<b>-871571</b>		<b>23536911</b>
CASH AND BANK BALANCE (OPENING BALANCE)		30179943		6843032
CASH AND BANK BALANCE (CLOSING BALANCE)		29308372		30179943
<b>Raj Kumar Rathi</b> (Managing Director)	<b>Sandesh Jain</b> (Director)	<b>S. Biawas</b> (Chief Financial Officer)		
Place: New Delhi		<b>Meenakshi Garg</b> (Company Secretary)		
Dated: 29th August, 2011				
We have examined the attached Consolidated Cash Flow Statement of Rathi Graphic Technologies Limited and its subsidiary for the year ended 31st March, 2011. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement entered into by the Company and is based on and in Agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 29th August, 2011 to the members of the Company.				
<b>For A.K. Maheshwari &amp; Associates</b> Chartered Accountants Reg. No. 500106N				
Place: New Delhi	<b>Anand Maheshwari</b> (Proprietor)			
Dated: 29th August, 2011	M. No. 073875			



**Consolidated Financial Statement of M/s.Rathi Graphic Tehnologies Limited and its subsidiary Company namely, M/s. RGTL Industries Limited (Formerly Rathi Rajasthan Steel Mills Limited)**

**SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011**

**Schedule-18**

**A: SIGNIFICANT ACCOUNTING POLICIES:**

**1. BASIS OF PREPARATION**

The Consolidated Financial Statement are prepared in accordance with Accounting Standard -21 on Consolidated Financial Statement issued by the Institute of Chartered Accountants of India.

**2. PRINCIPLES OF CONSOLIDATION**

The Consolidated Financial Statement relate to M/s.Rathi Graphic Technologies Limited (Parent Company) and its subsidiary namely, M/s.RGTL Industries Limited (Formerly Rathi Rajasthan Steel Mills Limited). The Financial Statement of the Company and that the RGTL Industries Limited (Formerly Rathi Rajasthan Steel Mills Limited) have been prepared in accordance with the Generally Accepted Accounting Practices (GAAP) applicable in India These Financial Statement have been prepared by consolidation of the Financial Statement of the Company and its subsidiary on a line-by-line basis after fully eliminating the inter-company transactions.

**3. PROPORTION OF OWNERSHIP INTEREST IN SUBSIDIARY COMPANY INCLUDED IN CONSOLIDATION**

Sr.No.	Name of the Company	Country of Incorporation	Proportion of Ownership interest as on March 31,2011
1	RGTL Industries Limited (Formerly Rathi Rajasthan Steel Mills Limited)	India	100%

**4. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

The Financial Statement of the Company have been prepared under historical cost convention, except as otherwise stated, in accordance with the Generally Accepted Accounting Practices (GAAP) applicable in India and the provisions of the Companies Act,1956.

**5. USE OF ESTIMATES**

The preparation of the Financial Statements in conformity with GAAP requires that the management makes estimates and assumptions

that affect the reported amounts of assets and liabilities; disclosure of contingent liabilities as at the date of the financial Statements, and the reported amount of revenue and expenses during the reported period. Actual result could differ from those estimates.

**6. REVENUE RECOGNITION**

Sales are recognized on dispatch of goods to customers and Profit / Loss on sale of investment and Fixed Assets are recognized in the year of sale.

**7. BORROWING COSTS**

Borrowing costs are attributable to the acquisition, construction of qualifying assets are capitalized as part of cost of such assets up to the date the assets are ready for their intended use. All other borrowing costs are recognized as an expense in the year in which they are incurred.

**8. FIXED ASSETS AND DEPRECIATION**

- a) Fixed assets are accounted for at cost of acquisition inclusive of freight, duties, taxes, erection, installation and other incidentals related to acquisitions and exclusive of Cenvat recoverable on purchase of Capital Goods.
- b) Costs of fixed Assets acquired from outside India are converted into Indian rupees at the exchange rates prevailing on the date of disbursements.
- c) Depreciation on fixed Assets is provided on Straight Line Method considering single shift working in accordance with the rates specified in schedule XIV of the Companies Act, 1956 as amended by Notification No. GSR 756(E) dated 16th December, 1993 of the Ministry of Law, Justice & Company Law Affairs, Department of Company Affairs.

**9. IMPAREMENT OF ASSETS**

An assets is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**10. INVESTMENT**

Investment are taken at Cost

**11. INVENTORIES**

- a) Stocks of Raw Materials are valued at cost by adopting FIFO Method.

- b) Stock of Work in process is valued at cost of Raw Material and proportionate direct manufacturing expenses.
- c) Stock of stores, spares and packing material are valued at cost by adopting FIFO Method.
- d) Stocks of finished goods are valued at lower of cost or net realizable value. Cost includes raw material cost and appropriate share of manufacturing expenses and is inclusive of depreciation and excise duty paid / payable thereon.

## 12. RESEARCH AND DEVELOPMENT EXPENDITURE

The capital expenditures are debited to the respective heads under fixed assets.

The revenue expenditure is charged to revenue account and disclosed separately.

## 13. FOREIGN CURRENCY TRANSACTIONS

Transactions for foreign currency are recorded at the exchange rate prevailing on the date of transaction. For the foreign currency transactions outstanding at the end of the year, the exchange rate difference are being recognized at year end. However, foreign currency transactions which are settled up to the date of balance sheet, the exchange fluctuation is therefore accounted for on actual basis.

## 14. DEFERRED REVENUE EXPENDITURE

1/6th of such expenses have been charged to Revenue Account.

## 15. MISCELLANEOUS EXPENDITURE

1/5th of such expenses have been charged to Revenue Account

## B: NOTES ON ACCOUNTS:

### 1. Contingent Liabilities not provided for:

- i) Letter of Credit established in favour of the suppliers for import of raw materials Rs. 9431230/- (Previous Year Rs.62,61,779/-).
- ii) The Company has filed an appeal against the balance of Rs.12.81 Lacs against imported capital goods in 1995. The Central Excise Authorities have issued a stay order vide order no.1141/2007 ex dated 26/11/2007. The Present impugned order is passed in pursuance to remand order passed by the Tribunal. The Amount already deposited is sufficient for hearing of the appeal.

2. The inventory of raw material, stores, oil & fuel and finished goods has been valued as per AS - 2 (Valuation of Inventories) issued by The Institute of Chartered Accountants of India.
3. The company has received sales tax exemption vide the department letter dated 13.01.2004 as per details given below :

From	To	Extent of exemption
6.9.2010	5.9.2011	40 %
6.9.2011	5.9.2012	30 %
6.9.2012	5.9.2013	30 %

4. In the opinion of the Management no provision on deemed income under MAT in accordance with section 115JB of the Income Tax Act, 1961 is required due to the unabsorbed business losses/ depreciations during the earlier years.
5. In the opinion of the Management all the current assets are realizable at the stated value.
6. As per information available with management none of the creditors fall within the SSI category.
7. The components of Deferred Tax Asset / Deferred Tax Liability in accordance with AS22 "Accounting for Taxes on Income" as on 31/3/2011 are as follows:

### Rathi Graphic Technologies Limited

A. Deferred Tax Assets/Liabilities	Current Year Amount (In Rs.)	Previous Year Amount (In Rs.)
Depreciation	24,31,169	24,29,971
Gratuity Provision	2,99,959	66,605
Provision for Leave Encashment	12,093	12,416
B/F Losses		
Deferred Tax Assets		
<b>Deferred Tax Liabilities</b>		
Depreciation		
B/F Losses	27,43,221	25,08,992
Net Deferred Tax Liabilities		
Charged to P&L Account (33.99%)	9,32,421	8,52,806
<b>Net Deferred Tax Assets</b>	<b>91,01,860</b>	<b>81,69,439</b>

B. Deferred Tax Assets/Liabilities	Current Year Amount (In Rs.)	Previous Year Amount (In Rs.)
Depreciation	4,44,07,895	8,49,68,938
Gratuity Provision	1,43,333	2,05,122
Provision for Leave Encashment	22,744	69,851
B/F Losses		
Creation of-Deferred Tax Assets	69,81,257	2,14,67,172
Creation of Deferred Tax Liabilities	1,50,37,794	2,87,87,479
Depreciation		
B/F Losses	80,56,537	73,20,307
<b>Net Deferred Tax Liabilities</b>	<b>1,53,76,844</b>	<b>73,20,307</b>
Deferred Tax Assets/Liabilities (A+B)	62,74,984	8,49,132

8. Segment Information:

the differing risk and return and the internal business reporting system.

The Company has disclosed business segment as the primary segment. Segment has been identified taking into account nature of products,

The Company's operations predominantly relate sale of toner, developer and iron & steel.

Primary Segment Information:

	Particulars	Toner		Developer		Iron & Steel		Total	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
1	Segment Revenue	207784383	197258202	221008	487530	2886542521	1274136071	3094547912	1471881803
	External Turnover								
	Inter Segment Turnover								
	Gross Turnover	207784383	197258202	221008	487530	2886542521	1274136071	3094547912	1471881803
	Less: Excise duty/ Service Tax recovered	17474582	15231071	22764	37644	226621096	97005803	244118442	112274518
	Net Turnover	190309801	182027131	198244	449886	265992425	1177130268	2850429470	1359607285
2	Segment Result before Interest and Taxes	25294203	26186510	26349	64745	121825946	51197010	147146498	77458265
	Less: Interest Expenses							69137446	45198338
	Add: Interest Income								
	Add: Exceptional Item								
	Profit Before Tax							16471209	3636147
	Current Tax (including deferred Tax)							78009053	35896073
	Fringe Benefit Tax							15547594	12325685
	Profit After Tax							Nil	Nil
								70884931	23570388
3	Other Information								
	Segment Assets	382202631	361235362	408528	892805	594650233	767006452	977259398	1129134619
	Segment Liabilities	48778620	40295981	51883	99593	22338916	85559946	71189419	125955620
	Capital Expenditure	8200061	2360748	-	-	552148366	72582287	560348427	74943035
	Depreciation	8523060	6495647	-	-	14098178	14966689	20621239	21462335
	Non Cash Expenses other than depreciation	67123	67123	-	-	34049	34049	101172	101172

8. Salaries and wages includes

For Tax Audit

Rs. 37,060

Rs. 37,060/-

Current Year Previous Year

Rs.

Rs.

Rs.2,07,360

Rs. 2,07,360/-

Employer Contribution to Provident Fund: 7,15,864/-

6,90,159/-

10. Interest @ 10 % per annum. has been provided on security deposit received from dealers.

Employer Contribution to ESI 4,01,442/-

2,88,769/-

11. Managerial Remuneration

(Amount in Rs.)

11,17,306/-

9,78,928/-

For the Year ended on

For the Year ended on

31/03/2011

31/03/2010

9. Payment to Auditors

Directors Remuneration

Current Year

Previous Year

Salary 46,70,000/-

29,40,000/-

For Statutory Audit Rs.1,70,300

Rs. 1,70,300/-

Sitting Fees 31,500/-

9,000/-

12. Related party transactions:

Sr.no.	Name of the Party	Relationship	Nature of Transaction	Transaction amount	Outstanding as on 31.3.2011
1	Alpha Stock and Fin services Pvt.Ltd.	Shri Raj Kumar Rathi is a Director	Unsecured Loan	96869000	122461350
2	Rathi Iron And Steel Industries Limited	Relative of Director	Loan & Advances	30077880	1581205
3	Rathi Electrosteel Ltd.	Shri Raj Kumar Rathi is a Director	Unsecured Loan	900	2574100
4.	Shark Packaging (I) Pvt.Ltd.	Shri Raj Kumar Rathi is a Director	Unsecured Loan	89668000	132473750
5	Rathi Steel And Power Limited	Shri Raj Kumar Rathi is a Director	Sales & Purchase	467526865	5914205
6	Shri Saurabh Rathi	Director	Remuneration	1790000	107000
7	Shri Raj Kumar Rathi	Director	Remuneration	2880000	175000

13. Loans & Advances include an amount of Rs.31,54,505/- towards CST including surcharge recoverable from Sales Tax Authority. This figure represents the excess amount paid to the Authority and correspondingly, Current liabilities also include this amount as refundable to the customers.

14. Necessary disclosures required under the Micro, Small and Medium Enterprises Development Act,2006, can only be considered once relevant information to identify the suppliers who are covered the said Act are received from such parties/suppliers.

15. Additional information pursuant to provisions of Part – II, schedule VI of the Companies Act, 1956 to the extent not applicable has not been given.

16. The Company has acquired 100% shares of M/s. RGTL Industries Limited (Formerly Rathi Rajasthan Steel Mills Limited) and resolution has been passed by Board of Directors on dated 24th September, 2007. M/s. Rathi Rajasthan Steel Mills Limited is setting up a plant for manufacture of superior quality reinforcement CTD/TMT bars and wire roads etc. with an installed capacity of 75,000 TPA. The Company has increased installed capacity of 75000 TPA to 100000 TPA and has achieved turnover of Rs.288.65 Crores

during the financial year 2010-2011.

17. Depreciation on Revaluation Reserve for Building had been booked twice in the financial year 2009-2010. This year rectification entry has been passed in books of accounts.

As per our report of even date  
For **A.K.Maheshwari & Associates**  
Chartered Accountants  
Reg. No. 500106N

**Anand Maheshwari**  
Proprietor  
M.No. 073875

**(Raj Kumar Rathi)**  
Managing Director

**(Sandesh Jain)**  
Director

**(S.Biswas)**  
Chief Financial Officer

**(Meenakshi Garg)**  
Company Secretary

Place: New Delhi  
Date: 29th August,2011

## AUDITOR'S REPORT

### The Members of Rathi Rajasthan Steel Mills Limited

1. We have audited the attached Balance Sheet of M/S Rathi Rajasthan Steel Mills Limited as at 31st March, 2011, the relative Profit & Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. 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.
2. 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the annexure referred to in paragraph 1 above, we report that :
  - a) We have obtained all the information and the explanation, which to the best of our knowledge and belief were necessary for the purpose 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 books.
  - c) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
  - d) In our opinion, the Balance Sheet and profit and loss account dealt with by this report comply with the mandatory accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

- e) On the basis of written representations received from the Directors of the Company as at 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March, 31, 2011 from being appointed as director of the company under 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 explanation given to us, the said accounts read together with the significant accounting policies and notes forming part of the accounts, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:-
  - (1) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2011; and.
  - (2) In the case of the Profit & Loss Account of the profit of the Company for the year ended on that date.
  - (3) In the case of the Cash Flow Statement , of the cash flows for the year ended on that date.

For **Ramesh Gupta & Co.**  
Chartered Accountants  
FRN-001605N

(Manoj Gupta)  
Proprietor  
M.No.87361

Place: New Delhi  
Date: 24th June, 2011

#### **ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE ON THE ACCOUNT OF M/S. RATHI RAJASTHAN STEEL MILLS LIMITED FOR THE YEAR ENDED ON 31ST MARCH, 2011**

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of information available. According to the information and explanations given to us, 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 the assets. No material discrepancies were noticed on such verification.

Substantial part of the fixed assets have not been disposed off during the year.

2. As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and nature of its business.

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.

The Company has maintained proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of stocks, as compared to book records.

3. According to the information and explanations given to us, the Company has taken interest free unsecured loans from five parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amounts outstanding during the year against the said loans were Rs.1460.60 Lacs. There were no terms and conditions stipulated in this respect.
4. According to the information and explanations given to us, no loans or advances in the nature of loans have been granted to the Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 except advances to staff where the company has not charged any interest and no conditions have been stipulated as regards the payment of interest and repayment of principle amount.
5. 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 and fixed assets and for the sale of goods. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weakness in internal control.
6. As explained to us, there has not been any transaction during the year that need to be entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding during the year to Rs. 5,00,000/- or more in respect of each such party.
7. The Company has not accepted any deposits

from the public within the purview of Section 58A & 58AA of the Companies Act, 1956.

8. The Company has adequate Internal Audit system which in our opinion, is commensurate with the size of the Company and the nature of its business.
9. The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for any products of the Company.
10. According to the information and explanations given to us, there are no undisputed statutory dues payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, cess which are outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable. There are no disputed statutory liabilities payable during the year.
11. According to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank.
12. The Company is not a Chit fund, Nidhi or mutual benefit society. Hence, the requirements of item (xiii) of paragraph 4 of the Order is not applicable to the Company.
13. The Company has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.
14. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
15. As per the information and explanations given to us, the term loan has been applied for the purpose for which it is raised.
16. According to the information and explanations given to us, 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.
17. In our opinion and according to the intimation and explanations given to us, the Company is not dealer or trader in securities.
18. According to the information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures and other investment. Hence paragraph no.XIV of the order is not applicable to the Company.

19. The Company has not issued any debentures during the year. Hence, the requirements of clause (xix) of paragraph 4 of the Order is not applicable to the Company.

20. As explained to us, the company has not made any public issue during the year. However the Company has issued 975180 fully paid up shares to the holding company M/s.Rathi Graphic Technologies Limited at a price of Rs.50/- per share inclusive of premium of Rs.40 per share amounting to Rs.4,87,59,000/- in accordance with the provisions of the Companies Act, 1956.

21. According to the information and explanations

given to us, a fraud on or by the Company has not been noticed or reported during the year.

For **Ramesh Gupta & Co.**  
Chartered Accountants  
FRN-001605N

**(Manoj Gupta)**  
Proprietor  
M.No.87361

Place: New Delhi  
Date: 24th June,2011

**RGTL Industries Limited (Formerly Rathi Rajasthan Steel Mills Limited)****Balance Sheet as on 31st March, 2011**

(Amount in Rs.)

	SCHEDULE	AS AT 31.03.2011	AS AT 31.03.2010
<b>SOURCES OF FUNDS</b>			
<b>SHARE HOLDER'S FUNDS</b>			
Share Capital	1	86363800	76612000
Reserves & Surplus	2	609001458	101004188
<b>LOAN FUNDS</b>			
Secured Loans	3	543382322	367623200
Unsecured Loans	4	121270374	81008978
Deferred Tax		15376844	7320307
<b>TOTAL</b>		<b>1375394797</b>	<b>633568673</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	975826203	423811922
Less Depreciation		29064868	14966689
Capital Work-in-Progress & Advance		134085	19436106
Investments		1203000	3000
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
i. Inventories	6	142251963	96199568
ii Sundry Debtors	7	385962451	130776446
iii Cash & Bank Balances	8	21947534	22161280
iv Loans & Advances	9	54688094	58237226
		604850042	307374520
Less : Current Liabilities & Provisions	10	180405059	102396629
Net Current Assets		424444983	204977891
<b>MISCELLANEOUS EXPENDITURE</b>			
To the extent not written off or adjusted)			
Preliminary Expenses	12	272394	306443
Pre-Operative Expenses:		2579000	0
Significant Accounting Policies & Notes on Accounts	19		
<b>TOTAL</b>		<b>1375394797</b>	<b>633568673</b>

Schedules referred to above form an integral part of the financial statements  
As per our report of even date

For Ramesh Gupta & Co.  
Chartered Accountants  
FRN-001605N

Saurabh Rathi  
Managing Director

Raj Kumar Rathi  
Director

Manoj Gupta  
PROPRIETOR  
M.NO.87361  
Place: New Delhi  
Date:24th June, 2011

Sandesh Jain  
Director



**RGTL Industries Limited (Formerly Rathi Rajasthan Steel Mills Limited)****PROFIT & LOSS ACCOUNT FOR THE PERIOD FROM 01.04.2010 to 31.03.2011**

(Amount in Rs.)

	SCHEDULE	FOR THE YEAR ENDED ON 31.03.2011	FOR THE YEAR ENDED ON 31.03.2010
<b>INCOME</b>			
Gross Income from Operation		2886542521	1274136071
Less: Excise Duty		226621096	97005803
Net Income from Operation		2659921425	1177130268
Other Income	13	16104208	3866111
Increase/(Decrease) in Stock	11	6941344	59039211
<b>TOTAL</b>		<b>2682966977</b>	<b>1240035590</b>
<b>EXPENDITURE</b>			
Raw Material & Manufacturing Expenses	14	2527362340	1154633892
Administrative Expenses	15	9945644	5991245
Selling & Distribution Expenses	16	9700820	9812181
Miscellaneous Expenses Written off	18	34049	34049
<b>TOTAL</b>		<b>2547042853</b>	<b>1170471367</b>
<b>Operating Profit (before Interest &amp; Depreciation)</b>		<b>135924124</b>	<b>69564223</b>
Interest /Finance Charges	17	57044977	33060886
<b>Profit before Depreciation &amp; Tax (PBDT)</b>		<b>78879147</b>	<b>36503337</b>
Depreciation		14098178	14966689
<b>Profit before Tax</b>		<b>64780968</b>	<b>21536648</b>
Provision for Income Tax		12911171	3660153
Provision for Deferred Tax (Liability)/Assets		8056537	7320307
<b>Net Profit after Tax</b>		<b>43813261</b>	<b>10556188</b>
Balance Carried to Balance Sheet		10556188	0
Significant Accounting Policies & Notes on Accounts	19		
Balance Carried Over		<b>54369449</b>	<b>10556188</b>

As per our separate report of even date attached

**For Ramesh Gupta & Co.**  
Chartered Accountants  
FRN-001605N

**Saurabh Rathi**  
Managing Director

**Raj Kumar Rathi**  
Director

**Manoj Gupta**  
Proprietor  
M.NO.87361  
Place: New Delhi  
Date: 24th June,2011

**Sandesh Jain**  
Director

**RGTL Industries Limited (Formerly Rathi Rajasthan Steel Mills Limited)**

(Amount in Rs.)

**AS AT**                      **AS AT**  
**31.03.2011**                **31.03.2010**

**SCHEDULE 01**

**SHARE CAPITAL**

**AUTHORISED**

10000000 Equity share of Rs.10/- each (Previous year 10000000 Equity share of Rs. 10/- each)	<u>100000000</u>	<u>100000000</u>
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**ISSUED, SUBSCRIBED, CALLED & PAID UP**

8636380 Equity Shares of Rs.10/- each called & fully paid up (Previous year 7661200 Equity share of Rs.10/- each called & full paid up)	86363800	76612000
	<u>86363800</u>	<u>76612000</u>

**SCHEDULE 02**

**RESERVES & SURPLUS**

Profit and Loss Account during the year	54369449	10556188
Share Premium Account	129455200	90448000
Revaluation Reserve -Land & Factory Building	<u>425176809</u>	<u>0</u>
	<u>609001458</u>	<u>101004188</u>

**LOAN FUNDS**

**SCHEDULE 03**

**SECURED LOANS**

**Term Loan State Bank of India**

Term Loan-I	238041990	250000000
Term Loan -II	70713715	

**Working Capital Facilities**

From State Bank of India, Commercial Br.Indore	159673843	97341204
From State Bank of India, Jasola Br.New Delhi	53333021	
SLC from State Bank of India	21140993	19500000

**Vehicle Loans**

from Others	<u>478760</u>	<u>781996</u>
	<u>543382322</u>	<u>367623200</u>

**NOTES :**

- 1.The Term loan from State Bank of India is secured by first hypothecation charge by covering entire Fixed Assets of the Company. Collateral Security by extending of 2nd charge over Company's entire current assets.
2. The Working Capital (Including SLC) from State Bank of India is covered by way of hypothecation over entire current assets of the Company. Collateral security by extending of 2nd charges over company's entire fixed assets by way of equitable mortgage of factory land & building at Chopanki, Rajasthan.
- 3 For all loans from State Bank of India FDR of Rs.2.00 Crores and personal guarantee of two Directors.
- 4.Vehicle Loan is secured by way of hypothecations of specific asset.

**SCHEDULE 04**

**UNSECURED LOAN**

From Corporates	116228000	81008978
From Others	<u>5042374</u>	<u>0</u>
	<u>121270374</u>	<u>81008978</u>

**RGTL Industries Limited (Formerly Rathi Rajasthan Steel Mills Limited)**

**Fixed Assets**

**SCHEDULE -05**  
(Amt. in Rupees)

Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2010	Addition	Adjustment /Disposal	As at 31.03.2011	Up to 31.03.2010	For the Period	Dep. Adjusted	Total 31.03.2011	As at 31.03.2011	As at 31.03.2010
Lease Hold Land and Development	55747470	425100030		480847500	0	0	0	0	480847500	55747470
Factory Building & Shed	114219343	36570806		150790149	3206074	0	0	3206074	147584075	111013269
Plant & Machinery	223219117	87643276		310862393	10349801	12361009	0	22710810	288151583	212869316
Electric Installation	27731818	1511362		29243180	1153050	1344916	0	2497966	26745214	26578768
Vehicle	86240	103469		189709	4294	12351	0	16645	173084	81946
Tube well & Borewell	140140			140140	4206	4681	0	8887	131253	135934
Furniture & Fixture	604508	523805		1128313	32547	49345	0	81892	1046421	571961
Office Equipment	478800	160583		639383	18052	26314	0	44367	595016	460748
Computers	1584486	400950		1985436	198665	299563	0	498228	1487208	1385821
<b>Total (A)</b>	<b>423811922</b>	<b>552014281</b>	<b>0</b>	<b>975826203</b>	<b>14966689</b>	<b>14098178</b>	<b>0</b>	<b>29064868</b>	<b>946761335</b>	<b>408845233</b>
<b>Capital Work in Progress</b>										
Land Development	3347717		3347717	0	0	0	0	0	0	3347717
Factory Building and Shed	13394682	134085	13394682	134085	0	0	0	0	134085	13394682
Plant & Machinery including Advance	2693707		2693707	0	0	0	0	0	0	2693707
Other Misc Fixed Assets	0			0	0	0	0	0	0	0
<b>Total (B)</b>	<b>19436106</b>	<b>134085</b>	<b>19436106</b>	<b>134085</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>134085</b>	<b>19436106</b>
<b>Grand Total(A+B)</b>	<b>443248028</b>	<b>552148366</b>	<b>19436106</b>	<b>975960288</b>	<b>14966689</b>	<b>14098178</b>	<b>0</b>	<b>29064868</b>	<b>946895420</b>	<b>428281339</b>
Previous Year Ended on 31.03.2010	355699052	455613428	368064452	443248028	0	14966689	0	14966689	428281339	355699052

**RGTL Industries Limited (Formerly Rathi Rajasthan Steel Mills Limited)**

(Amount in Rs.)

	As AT 31.03.2011	As At 31.03.2010
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**INVENTORIES****SCHEDULE 06**

(As taken, valued &amp; Certified by the Management)

Raw material	65870571	31274084
Finished Goods	50925795	55544399
Stores & Spares	8538154	4735896
Furnace Oil	1862683	1150377
Scrap Goods-Miss Roll/End Cutting	15054760	3494812
	<u>142251963</u>	<u>96199568</u>

**SCHEDULE 07****SUNDRY DEBTORS**

Debts outstanding for more than six months : Unsecured but considered good	7234560	0
<b>Other debts :</b>		
Unsecured but considered good	378727891	130776446
	<u>385962451</u>	<u>130776446</u>

**SCHEDULE 08****CASH & BANK BALANCES**

Cash in Hand	704022	99414
Cash at Bank with Scheduled Bank		
In Current Accounts	1243512	341866
Margin Money-LC	0	1720000
Term Deposit with SBI	20000000	20000000
	<u>21947534</u>	<u>22161280</u>

**SCHEDULE 09****LOANS & ADVANCES**

(Unsecured &amp; Considered good)

Advances Recoverable in Cash or in kind or for value to be received	13463098	9710367
Cenvat Recoverables	14748366	24520570
Advance paid to Suppliers & Others	12809081	15640250
Advance Income Tax	5900000	666500
Prepaid Expenses	39617	29225
Tax Deduction at Source	2290207	2886708
Security Deposits	5437725	4783606
	<u>54688094</u>	<u>58237226</u>

**SCHEDULE 10****CURRENT LIABILITIES & PROVISIONS****CURRENT LIABILITIES**

Sundry Creditors-Raw Materials	90697721	67922743
Sundry Creditors-Others	17915999	11842923
Advance recd from Customer & Others	17002366	3252263
Other Current Liabilities	41439073	15443574

**PROVISIONS**

Gratuity, Bonus & Leave Encashment Payable	438728	274973
Provision for Income Tax-Income Tax	12911171	3660153
Provision for Wealth Tax	0	0
	<u>180405059</u>	<u>102396629</u>

**RGTL Industries Limited (Formerly Rathi Rajasthan Steel Mills Limited)**

(Amount in Rs.)

	As At 31.03.2011	As At 31.03.2010
<b>SCHEDULE 11</b>		
<b><u>INCREASE/ DECREASE IN STOCK</u></b>		
Opening Stock of Finished Goods	55544399	0
Opening Stock of Miss Roll	3027076	0
Opening Stock of End Cutting	467736	0
	<u>59039211</u>	<u>0</u>
Closing Stock of Finished Goods	50925795	55544399
Closing Stock of Miss Roll	10876740	3027076
Closing Stock of End Cutting	4178020	467736
	<u>65980555</u>	<u>59039211</u>
Increase/ Decrease in Stock	<u>6941344</u>	<u>59039211</u>
<b>SCHEDULE 12</b>		
<b><u>MISCELLANEOUS EXPENDITURE</u></b>		
(To the extent not written off or adjusted)		
Pre-operative Expenses	2579000	0
Preliminary Expenses	272394	306443
	<u>2851394</u>	<u>306443</u>
<b>SCHEDULE 13</b>		
<b><u>OTHER INCOME</u></b>		
Written off	28907	366
Interest Subsidy 50% on Interest on Term Loan or Sales Tax paid whichever is less	7753956	465221
Export Incentive Received	1763019	0
Misc.Income	958825	0
Interest Income(Gross)	2230750	3400524
Previous Year Income	3368751	0
	<u>16104208</u>	<u>3866111</u>
* Including Tax Deduction at Source Rs.223075/- (Previous year Rs.499122)		
<b>SCHEDULE 14</b>		
<b><u>RAW MATERIAL &amp; MANUFACTURING EXPENSES</u></b>		
Raw Material Consumed	2378571991	1072372481
Oil & Lubricants	83449010	44976858
Power & Fuel Expenses	38783233	22155264
Wages, Salaries & Benefits	17515337	12616228
Employer Contribution to EPF	241171	245071
Employer Contribution to ESI	179237	149992
Freight & Cartage	18710	46290
Stores Consumed	6988970	1241955
Testing Charges & Calibration Charges	28964	24182
Royalty	506478	187944
Insurance Premium	851625	378957
Repairs & Maintenance		
Factory Building	65000	
Plant & Machinery	162614	238670
	<u>2527362340</u>	<u>1154633892</u>

**RGTL Industries Limited (Formerly Rathi Rajasthan Steel Mills Limited)**

(Amount in Rs.)

As AT 31.03.2011 As At 31.03.2010

**SCHEDULE 15**

**ADMINISTRATIVE EXPENSES**

Donation	6200	22000
Director Remuneration	1790000	420000
Payment to Auditors:	75000	75000
-Audit Fees	65000	
-Tax Audit Fees	<u>10000</u>	
Legal & Professional Expenses	875555	1436465
Repairs & Maintance-Other	710217	94727
Miscellaneous Expenses	569245	207425
Pqstage, Printing and Telephone Expenses	504017	371719
Rent, Rates & Taxes	141895	1400120
Fess & Subscriptions	209499	371819
Travelling & Conveyance Expenses	2015538	1142155
Previous Year Expenses	43000	
Service Tax Paid	3005478	449815
	<u>9945644</u>	<u>5991245</u>

**SELLING AND DISTRIBUTION EXPENSES**

**SCHEDULE 16**

Advertisement & Business Promotion	365107	95719
Branch Expenses-Delhi Godwon	151802	23051
Commission & Discount	7832245	3066171
Freight Outwards	1351666	6627240
	<u>9700820</u>	<u>9812181</u>

**INTEREST/FINANCE EXPENSES**

**SCHEDULE 17**

Interest on Term Loan	35345267	24353648
Interest on Working Capital Loan	18705804	7060681
Interest on Others	1159949	82193
Bank Charges	1645069	919364
Processing Fees	188888	645000
	<u>57044977</u>	<u>33060886</u>

**SCHEDULE 18**

**MISCELLANEOUS EXPENSES WRITTEN OFF**

Pre-operative Expenses	0	0
Preliminary Expenses	34049	34049
	<u>34049</u>	<u>34049</u>

# RGTL Industries Limited (Formerly Rathi Rajasthan Steel Mills Limited)

## CASH FLOW STATEMENT FOR THE YAER 31ST MARCH,2011

PARTICULARS		For the Year ended 31.03.2011		For the Year ended 31.03.2010
<b>A CASH FLOW FROM OPERATION ACTIVITIES</b>				
Profit Before Tax (PBT)		64780968		21536648
Depreciation	14098178		14966889	
Interest & Finance Charges	57044977		33060886	
Interest Received (Accrued)	-2230750		-3400524	
Other Income	-13873458		-368	
Miscellaneous Expenses Written off	34049	55072996	34049	44660734
<b>Opening Profit before Working Capital Changes</b>		<b>119853965</b>		<b>66197382</b>
Adjustment for changes in:				
i. Inventories	-46052395		-96199568	0
ii. Sundry Debtors	-255186005		-130776446	0
iii. Loans & Advances	3549132		-28550992	0
iv. Current Liabilities & Provisions	26104584	-271584684	88404269	-167122737
<b>Cash Flow from Operating Activities</b>		<b>-151730719</b>		<b>-100925355</b>
Income Tax Paid		12911171		3660153
<b>Net Cash Flow from Operating Activities-A</b>	<b>0</b>	<b>-164641890</b>		<b>-104585508</b>
<b>B CASH FLOW FROM INVESTMENTS</b>				
Adjustment of Fixed Assets	-532712260		-58742684	0
Acquisition of Investments	-1200000		0	0
Interest Received	2230750		3400524	0
Increase in Pre operative Expenses/ Preliminary Expenses	-2544951		-200000	
Other Income	13873458	-520353003	366	-55541794
<b>Net Cash flow from Investing Activities-B</b>		<b>-520353003</b>		<b>-55541794</b>
<b>C CASH FLOW FROM FINANCE</b>				
Proceeds from issue of Shares/Share Premium/Share application Money	48759000		11476096	0
Proceeds from Long Term Borrowings/Other	73755705		22263369	0
Repayment of Long Term Borrowings	-15000000		-15000000	
Proceeds from Short Term Bank Borrowings	117003417		116841204	0
Interest and Finance Charge Paid	-57044977		-33060886	
Reserve & Surplus	468990070		0	
Increase in Unsecured Loans	48317932	684781147	79686147	182205930
<b>Net Cash Flow from Finance Activities-C</b>		<b>684781147</b>		<b>182205930</b>
<b>Net Cash Inflow/ (Overflow) (A+B+C)</b>		<b>-213746</b>		<b>22078628</b>
Cash and Bank Balance (Opening Balance)		22161280		82652
Cash and Bank Balance (Closing Balance)		21947534		22161280

**Saurabh Rathi**  
(Managing Director)

**Raj Kumar Rathi**  
(Director)

**Sandesh Jain**  
(Director)

Place: New Delhi  
Dated: 24th June,2011

We have examined the attached Cash Flow Statement of RGTL Industries Limited (Formerly Rathi Rajasthan Steel Mills Limited) for the year ended 31st March,2011. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing Agreement entered into by the Company and is based on and in Agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 24th June,2011 to the members of the Company.

**For Ramesh Gupta & Co.**  
Chartered Accountants  
FRN-001605N

Place: New Delhi  
Dated: 24th June,2011

**Manoj Gupta**  
(Proprietor)  
M.No.87361

## SCHEDULE-19

**RGTL Industries Limited (Formerly Rath  
Rajasthan Steel Mills Limited)**

### **SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**

#### **A) SIGNIFICANT ACCOUNTING POLICIES**

##### **1. BASIS OF ACCOUNTING**

- a) The financial statements of the Company are prepared under the historical Cost Convention using Accrual Method of Accounting.
- b) The financial statements have been prepared in accordance with the mandatory Accounting Standards and relevant presentation requirements of the Companies Act, 1956.

##### **2. FIXED ASSETS AND DEPRECIATION**

- a) Fixed assets are accounted for at cost of acquisition inclusive of freight, duties, taxes, erection, installation and other incidentals related to acquisitions and exclusive of Excise Modvat recoverable on purchase of Capital Goods.
- b) Cost of fixed Assets acquired from outside India is converted into Indian rupees at the exchange rates prevailing on the date of disbursements.
- c) Depreciation on fixed Assets is provided on Straight Line Method considering single shift working in accordance with the rates specified in schedule XIV of the Companies Act, 1956 as amended by Notification No. GSR 756(E) dated 16th December, 1993 of the Ministry of Law, Justice & Company Law Affairs, Department of Company Affairs.

##### **3. INVESTMENT**

Investments are taken at cost.

##### **4. SALES**

Sales represents invoiced value of goods sold and services rendered, net of sales tax but inclusive of excise duty.

##### **5. INVENTORIES**

Inventories are valued as per AS-2 (Valuation of Inventories) issued by the ICAI as under:

- a) Stocks of Raw Materials are valued at cost by adopting FIFO Method.
- b) Stock of stores and spares are valued at cost by adopting FIFO Method.

- c) Stocks of finished goods are valued at lower of cost or net realizable value. Cost includes raw material cost and appropriate share of manufacturing expenses and is inclusive of depreciation and excise duty paid / payable thereon.

#### **6. BORROWING COSTS**

Borrowing costs attributable to acquisition, construction of qualifying assets are capitalized as part of cost of the relevant asset up to the date the asset is put to use. All other borrowing costs are recognized as an expense in the year in which they are incurred.

#### **7. RETIREMENT BENEFIT PLANS:**

Future liability for gratuity and leave encashment is determined by the management and accordingly provision have been made but there have been no actuarial valuation for the same.

#### **8. PROVISION FOR CURRENT AND DEFERRED TAX:**

Provision for current tax liability is estimated as per the provisions of the Income Tax Act, 1961

Deferred tax is recognized subject to the consideration of prudence on timing difference being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more period.

#### **9. IMPAIRMENT OF ASSETS :**

In case of indication of impairment of the carrying amount of the Company's assets, an asset's recoverable amount is estimated impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

Reversal of Impairment loss recognized in prior periods is recorded when there is an indication that the impairment loss recognized for the asset no longer exists or has decreased.

Post Impairment depreciation is provided on the revised carrying value of the asset over its remaining useful life.

#### **10. REVENUE RECOGNITION**

- i) Sales are recognized on dispatch of goods to customers.

#### **11. MISCELLANEOUS EXPENDITURE**

Miscellaneous Expenditure is written off over a five year.



## B) NOTES ON ACCOUNTS

### 1. Contingent Liabilities not provided for:

- i) Letter of Credit established in favour of the suppliers for raw materials Rs. Nil (Previous Year Rs.Nil).

### 2. In the opinion of the Management all the current assets are realizable at the stated value.

### 3. All unsecured loans, Liabilities. Loans and advances are interest free and subject to balance confirmation and reconciliation, if any. The Management feels that there is no need of further providing for interest in the accounts.

### 4. The components of Deferred Tax Asset / Deferred Tax Liability in accordance with AS22 "Accounting for Taxes on Income" as on 31/3/2011 are as follows:

Deferred Tax Assets	Current Year Amount (in Rs.)	Previous Year Amount (in Rs.)
Depreciation	44407895	84968938
Gratuity Provision	143333	205122
Provision for Leave		
Encashment	22744	69851
B/F Losses		
Creation of Deferred Tax Assets	6981257	21467172

### 8. Related party transactions:

Sr.no.	Name of the Party	Relationship	Nature of Transaction	Transaction amount	Outstanding as on 31.3.2011
1	Rathi Steel And Power Limited	Relative of Director	Sales & Purchased	467526865	5914205
2	Saurabh Rathi	Managing Director	Director Remuneration	1790000	107000
3	Rathi Iron And Steel Industries Limited	Relative of Director	Unsecured Loan	11200000	1105513
4	Alpha Stock & Finservices Pvt. Ltd.	Director	Unsecured Loan	77080000	62000000
5	Shark Packaging (I) Private.Ltd.	Director	Unsecured Loan	71798000	51228000

### 9. The Company has issued 975180 fully paid up shares to the holding company M/s.Rathi Graphic Technologies Limited at a price of Rs.50/- per share inclusive of premium of Rs.40 per share amounting to Rs.4,87,59,000/- in accordance with the provisions of the Companies Act, 1956.

### 10. Necessary disclosures required under the Micro, Small and Medium Enterprises Development Act,2006, can only be considered once relevant information to identify the suppliers who are covered the said Act are received from such parties/suppliers.

Creation of Deferred Tax Liabilities	15037794	28787479
Depreciation		
B/F Losses	-	-
Net Deferred Tax Liabilities	8056537	7320307
Net Deferred Tax Assets/Liabilities Transferred to B/S	15376844	7320307

### 5. Salaries and wages includes

	Current Year Rs.	Previous Year Rs.
Employer Contribution to Provident Fund:	241171/-	245071/-
Employer Contribution to ESI:	179237/-	149992/-
	<u>420408/-</u>	<u>395063/-</u>

	Current Year Rs.	Previous Year Rs.
For Statutory Audit	Rs.60,000/-	Rs. 60,000/-
For Tax Audit	Rs.15,000/-	Rs. 15,000/-
	<u>Rs.75,000/-</u>	<u>Rs. 75,000/-</u>

### 7. Managerial Remuneration

	For the Year ended on 31/03/2011	For the Year ended on 31/03/2010
Directors Remuneration		
Salary	17,90,000/-	4,20,000/-

### 11. Additional information pursuant to provisions of Part – II, schedule VI of the Companies Act, 1956 to the extent not applicable has not been given.

### 12. The Company has increased installed capacity of 75,000 TPA to 100000 TPA during the financial year 2010-2011.

### 13. Quantitative information pursuant to the provisions of paragraphs 3,4 C and 4 D of part II of schedule VI of the companies Act, 1956. Previous Year's figures have been given in brackets.

a) Licenced, Installed capacity and Actual production :

Particulars	Unit	Licenced Capacity	Installed Capacity	Actual Production
TMT Bar	MT	100000	100000	74940.638

b) Particulars in respect of Sales including Trading :

Particulars	Quantity in MT	Value in Rupees
TMT	83331.195	2850417181
Miss Roll & End Cutting	1285.905	36125340

c) Details of Finished Goods

Products	Opening Stock in MT	Opening Stock Value	Closing Stock in MT	Closing Stock Value
TMT	1800.972	55544399	1542.830	50925795
Miss Roll	149.670	3027076	375.060	10876740
End Cutting	20.970	467736	149.215	4178020
	1971.612	59039211	2067.105	65980555

d) Details of Raw Materials Consumed during the year

Particulars of Raw Materials	Quantity in MT	Value in Rupees
Ingot & Billets		2378571991
Furnace Oil		83449010
Total		2462021001

e) Value of Spare parts & Components consumed during the year

Particulars	Value in Rupees
Stores and Spares Items	6988970
Total	6988970

f) Value of imports during the year (CIF Basis but Exclusive of Custom Duty)

Capital Goods Nil  
(Nil)

g) Expenditure in foreign currency during the period

Traveling & reimbursement Expenses Nil  
(Nil)

14. NOTE:

Schedule 1 to 19 form an integral part of the Balance Sheet and Profit & Loss Account together with the Auditor's Report.

Previous year figures have been regrouped / rearranged wherever necessary.

15. Balance Sheet Abstract and Company's General Business Profile as per Part III of Schedule VI of the Act.

1. Registration Details :

Registration No. 130509  
State Code 55  
Balance Sheet DD MM YY  
31 03 2011

2. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue Right Issue  
Nil Nil  
Bonus Issue Private Placement  
Nil 9752

3. Position of Mobilisation and Deployment of funds

(Amount in Rs. Thousands)

**Total Liabilities** **Total Assets**

1375395 1375395

**Source of Funds**

**Paid-up Capital** **Reserves & Surplus**

86364 609001

**Secured Loans** **Unsecured Loans**

543382 121270

**Deferred Tax Liabilities**

15377

**Application of Funds**

**Net Fixed Assets** **Investments**

946895 1203

**Net Current Assets** 424445  
**Misc. Expenditure** 2851

Product Description: TMT Bar

**Deferred Tax Assets** **Accumulated Losses**

Item Code No.  
(ITC Code)

**4. Performance of Company  
(Amount in Rs. Thousands)**

Turnover	Total Expenditure
2682967	2618186
Profit before Tax	Deferred Tax Assets/ (Liabilities)
64781	8057
Profit after Tax	
43813	
Earning Per Share in Rs.	Dividend
5.30	Nil

**For Ramesh Gupta & Co.  
Chartered Accountants  
FRN-001605N**

(Manoj Gupta)  
Proprietor  
M.No.87361

(Saurabh Rathi)  
Managing Director

Raj Kumar Rathi)  
Director

Place : New Delhi  
Date : 24th June,2011

(Sandesh Jain)  
Director

**5. Generic Names of Three Principal Products /  
Services of Company**

**(As per monetary terms)**

Item Code No.  
(ITC Code)

# RATHI GRAPHIC TECHNOLOGIES LIMITED

XVIIIth AGM

Regd. Off. : A-3, Industrial Area, South of G.T. Road, Ghaziabad (U.P.)

Attendance Slip

Folio No.	
No. of Equity Shares Held	

I hereby record my presence at the XVIIIth Annual General Meeting of the Company being held at A-3, Industrial Area, South of G.T. Road, Ghaziabad (U.P.) on Friday the 30th day of September, 2011 at 10.00 a.m

Name of the Shareholder :
Name of the proxy - holder / Authorised representative (in block letters)

Signature of the Shareholder/Proxy/Authorised Representative

- Note: 1. A member / proxy / authorised representative wishing to attend the meeting must complete this Admission 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

XVIIIth AGM

## RATHI GRAPHIC TECHNOLOGIES LIMITED

Regd. Off. : A-3, Industrial Area, South of G.T. Road, Ghaziabad (U.P.)

I/We ..... of .....  
.....being a member/members of Rathi Graphic Technologies Limited 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/us and on my/our behalf at the XVIIIth Annual General Meeting of the Company to be held on the Friday the 30th September, 2011 at 10.00 a.m. and at any adjournment thereof.

Signed this.....day of.....2011

Folio No.
No. of Equity Shares Held

Signature(s).....

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

Printed at **VISION MARKETING** New Delhi

**Book-Post**

To,

*If Undelivered Please return to:*  
**Rathi Graphic Technologies Ltd.**  
A-3. Industrial Area,  
South of G.T. Road, Ghaziabad (U.P.)

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