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# **NINETEENTH ANNUAL-REPORT 2011-2012**

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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

**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-301019  
(Rajasthan)

**REGISTRAR & SHARE  
TRANSFER AGENT :**

MAS Services Limited  
T-34, IIInd 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 19th Annual General Meeting of the members of Rathi Graphic Technologies Limited will be held on Friday, the 28th day of September 2012 at 10.00 a.m. at A - 3, Industrial Area, South of G.T. Road, Ghaziabad. (U.P.) to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012, 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 place of Shri Vinod Somari, who retires by rotation and being eligible, offer 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 the following resolution with or without modification if any, as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 198, 269, 309 and 310, read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the "Act") including any statutory amendment (s) or modifications(s) or re-enactment(s) thereof for the time being or from time to time in force and subject to such approval or contents as may be necessary or required. Shri Raj Kumar Rathi, Managing Director of the Company, be and is hereby re-appointed as Managing Director of the Company for a period of 5 years with effect from 1st April, 2012 with a salary of Rs. 2,40,000/- per month and perquisites and allowances such as furnished accommodation or house rent and maintenance allowance together with reimbursement of expenses such as gas, electricity, water, furnishings, repairs, servants, club fees, leave travel concession/allowance for himself and his family, use of Car with driver, Telephone at residence, Medical expenses incurred for self and family members and hospitalization reimbursement to Shri Raj Kumar Rathi, Managing Director, as may be considered expedient and agreed by Shri Raj Kumar Rathi within the limitation contained in Schedule XIII of

the Companies Act, 1956".

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to vary or increase the remuneration, fix the perquisites and other allowances within the prescribed limit of ceiling specified in Schedule XIII of the Companies Act, 1956 and to take such steps as may be necessary, proper or expedient to give effect to this resolution".

### 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 FORTY 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 DPID at the meeting for easy identification.
4. The Register of Member and Share Transfer Books of the Company will remain closed from Monday, September 24th, 2012 to Friday, September 28th, 2012 (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 / Secretarial Executives at the registered office of the Company, so that the same may be attended to appropriately.

9. Annual listing fee for the year 2012-13 has been paid to the Stock Exchange where in 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 Depository Participants 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.
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: 3rd September 2012  
Place: New Delhi

**Raj Kumar Rathi**  
Managing Director

#### **EXPLANATORY STATEMENT U/S 173(2) OF THE COMPANIES ACT, 1956**

Members are aware that Shri Raj Kumar Rathi was re-appointed as Managing Director of the Company for a period of five years with effect from 1.04.2007 to 31.03.2012 in the Annual General Meeting held on 25th September 2007.

Further the Board of Directors of the Company has re-appointed him as Managing Director for a further period of five years from 1st April 2012 to 31st March 2017 at their meeting held on 14th August 2012 subject to Members approval at the ensuing Annual General Meeting.

Shri Raj Kumar Rathi is the Managing Director for the last several years and he was re-appointed for overall management of the Company. Shri Raj Kumar Rathi possesses vast and rich experience in toner industry with expertise in business development. He has made significant contribution towards growth of the Company. The Directors believe that for the continued growth and expansion of the Company, it would be desirable to continue to avail of services of Shri Raj Kumar Rathi as Managing Director of the Company for a further period for five years from 1st April 2012 to 31st March 2017 as setout in item no. 4 of the accompanying notice.

In his capacity as the Managing Director, Shri Raj Kumar Rathi will continue to have substantial powers of overall management of the Company, subject to the supervision, control and direction of Board of Directors.

None of the director, except Shri Raj Kumar Rathi, Managing Director of the Company are concerned or interested in this resolution.

**By order of the Board of Directors**

Dated: 3rd September 2012  
Place: New Delhi

**Raj Kumar Rathi**  
Managing Director

## DIRECTOR'S REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting the 19th Annual Report together with the audited Accounts of the company for the year ended 31st March, 2012.

### FINANCIAL RESULTS

(In Rupees)

Particulars	31.03.2012	31.03.2011
Turnover	224216103	208005391
Profit/(Loss) before Interest & Depreciation	35166944	30878060
Interest & Depreciation	20975591	17649975
Profit before Tax (PBT)	14191353	13228083
Net profit after tax (PAT)	8577710	11524061

### 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

The Company has achieved a turnover of Rs. 2242.16 Lacs against Rs. 2080.05 Lacs during the previous year. However the net profit during the year was Rs. 85.78 Lacs as against Rs. 115.24 Lacs during the previous year. During the year under review profitability is adversely affected due to exorbitant price increase in every segment. On account of such abnormal price increase, Company had to burden additional price/expenses on power & fuel and cost of raw material etc.

During the year under review due to economic upheaval in European Union / Euro zone and depleting US economy, the USD /Yen to INR rose sharply. As the Company is dependant upon import due to this sudden sharp and unexpected increase it had to suffer significant amount of foreign exchange loss. The new machinery is commissioned during the later part of the year. With the commissioning of new machinery the Company would be in a position to derive economy of scale benefit as well as improvement in quality which would give competitive advantage. As such barring unforeseen circumstances the Company expects to post better profitability during the current year.

### FUTURE OUTLOOK

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

The fluctuation in the 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.

### SUBSIDIARY COMPANY

During the year the company has made disinvestment of shares of RGTL Industries Limited upto 48.64% After that RGTL Industries Limited is simply 51.36% subsidiary Company of the Company.

### 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 Vinod Somani retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. He is a Practicing Chartered Accountant having more than 30 years of experience. He is expert in Internal Control & Management System. He has confirmed that he has not incurred any disqualification under Section 274(1)(g) of the Companies Act, 1956 and he is eligible to be re-appointed as Directors of the company.

### MANAGING DIRECTOR

The terms of Shri Raj Kumar Rathi is renewed from 1st April 2012 to 31st March 2017 by the Board of Directors at their meeting held on 14th August 2012 subject to consent of Members at the ensuing Annual General Meeting.

Shri Raj Kumar Rathi is the Managing Director for the last several years and he was re-appointed for overall management of the Company. Shri Raj Kumar Rathi possesses vast and rich experience in toner industry with expertise in business development. He has made significant contribution towards growth of the Company.

Your Directors recommend for confirmation of re-appointment of Shri Raj Kumar Rathi as managing Directors of the Company for a term of five years i.e. from 1st April 2012 to 31 March 2017.

### 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 letter 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

The particulars as required to be given u/s 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are not applicable to the company as none of the employees is getting remuneration above the prescribed limit i.e. 5 Lakh per month or 60 Lakh per annum.

#### 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. 84686326/- Previous Year Rs.78051062/-).

#### 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 judgements 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, 2012 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 exchange.

#### CORPORATE GOVERNANCE REPORT

As a Listed Company, necessary measures are taken to comply with Clause 49 and all other applicable provisions of Listing Agreement with the Stock Exchange and other Company Law requirements. 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

Industrial Relations continued to remain cordial throughout the year and your Directors wish to place on record their appreciation for dedicated and sincere services rendered by the executives, staff and workmen at all levels.

#### 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: 3rd September, 2012

## 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)	2520012	2322552
2.	Total Cost(Rs.)	13515198	10049338
	Rate/Unit (Rs.)	5.36	4.33

#### Part - B

##### Consumption per Unit of Production

Product	Electricity (Kwh)	
	Current Year	Previous Year
Toners & Developers (per Kg.)	6.51	5.59

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

As provided under clause 49 of the Listing Agreement with the Stock Exchange, the Board members and the senior Management Personnel have confirmed compliance with the Code of Conduct laid down by the Company for the year ended 31st March, 2012.

Raj Kumar Rathl  
Managing Director

Place: New Delhi

Dated: 3rd September, 2012

#### REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2011-12 (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 30 <sup>th</sup> Sep. 2011	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)	7	Yes	2	Nil	Nil
Sh. Sandesh Jain	Director	Non Executive & Independent	6	Yes	4	2	1
Sh. Adarsh Aggarwal	Director	Non Executive & Independent	7	Yes	Nil	Nil	Nil
Sh. Anurag Yadav	Director	Non Executive & Independent	7	Yes	Nil	Nil	Nil
Sh. Vinod Somani	Director	Non Executive & Independent	7	No	3	2	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 2011-12.
- Seven Board Meetings were held during the year 2011-12 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were as follows:

11/05/2011, 30/06/2011, 12/08/2011, 29/08/2011, 14/11/2011, 14/02/2012, 21/03/2012

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

Shri Vinod Somani is a Practicing Chartered Accountant having more than 15 years of experience in the fields of Company Law, Taxation and Management Consultancy. He has been nominated on the Task Force Committee of Public Enterprises in Transport Sector which consists of 22 Govt. Companies. Your Board of Directors recommend for his re-appointment as rotational Director of the Company.

**3. AUDIT COMMITTEE**

The Company had constituted an Audit Committee in the year 2003. All members of the Committee are financial 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 2011-12
1	Sh. Raj Kumar Rathi	Executive & non-independent (promoter)	5
2	Sh. Sandesh Jain	Non Executive & Independent	4
3	Sh. Anurag Yadav	Non Executive & Independent	5

Five Audit Committee Meetings were held during 2011-12. The dates on which the said meetings were held were as follows:

11/05/2011, 12/08/2011, 29/08/2011, 14/11/2011, 14/02/2012

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 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 2011-12: 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 2011-12

(Amount in Rs.)

(a) Sh. Raj Kumar Rathi 28,80,000  
(b) Period of contract of MD: 5 year

Details of shares of the Company held by the Directors as on March 31, 2012 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 director's 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. Shri Mahesh Pareek is the Compliance Officer.

No. of meeting held during the financial year 2011-12: Nine

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
16 <sup>th</sup> AGM	31.03.2009	A-3, Industrial Area, South of G. T. Road, Ghaziabad, 201009	29.09.2009 at 10.00 A. M
17 <sup>th</sup> AGM	31.03.2010	A-3, Industrial Area, South of G. T. Road, Ghaziabad, 201009	28.09.2010 at 10.00 A. M
18 <sup>th</sup> AGM	31.03.2011	A-3, Industrial Area, South of G. T. Road, Ghaziabad, 201009	30.09.2011 at 10.00 A.M.

**Postal Ballot**

No Postal Ballot was conducted during the year

**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.

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 28th day of September, 2012 at 10 A. M.

**Financial Calender for 2012-13**

Ist Quarterly results –on or before 14th August, 2012  
IInd Quarterly results – on or before 15th Nov, 2012  
IIInd Quarterly results – on or before 15th Feb, 2013  
IVth Quarterly results –on or before 15th May, 2013

**Book Closure Date**

Date of Book Closure from 24.09.2012 to 28.09.2012  
(both days inclusive)

**Dividend – Nil****Listing on Stock Exchange:**

Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai – 400001  
Company Stock Code: – 524610  
Bombay Stock Exchange Limited  
**Market Price Data (BSE) for the year 2011-12**

Month	High (Rs.)	Low (Rs.)	Volume Nos.	Total Turnover (Rs.)
Apr -11	12.32	9.65	18144	199307
May-11	11.49	9.25	28760	285430
Jun -11	10.98	8.39	23454	221357
Jul -11	10.8	8.5	22922	209928
Aug-11	10.1	7.51	13491	111160
Sep -11	10.5	7.9	32968	308179
Oct -11	9.05	7.66	10436	85851
Nov-11	8.55	6.48	18929	125118
Dec-11	7.14	6.01	61518	326282
Jan -12	6.76	6.18	29018	202208
Feb -12	10.4	8.2	8787	78534
Mar -12	11.32	8.51	988	9174

**Distribution of Shareholding as at 31st March, 2012**

Category	Share Nos.	Percentage	Shareholder Nos.	Percentage
1 to 5000	1130951	8.109	5622	89.823
50001 to 10000	269636	1.934	322	5.145
10001 to 20000	198722	1.426	127	2.029
20001 to 30000	123058	0.883	47	0.751
30001 to 40000	61417	0.441	18	0.288
40001 to 50000	98928	0.71	21	0.336
50001 to 100000	275312	1.975	39	0.623
100001 and above	11781876	84.523	63	1.007
Total	13939080	100.00	6689	100.000

**Categories of Shareholding as on 31st March, 2012**

Category	No. of Shares	Percent
Promoters & Relatives	7766170	55.72
Mutual Funds	19000	0.14
Foreign Investors	324592	2.33
Bodies Corporate	2590058	18.55
Individuals	3224201	23.134
NRIs/OCBs	3401	0.02
Clearing Members	11577	0.08
Total	13939000	100

**Share Transfer System**

Share Transfers in physical form can be lodged with the R & T 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, IInd 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 2012, shares comprising approximately 87.46 % of company's equity share capital have been dematerialized.

**Manufacturing Units**

SP- 921, RICO 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- 45002400  
Email: investor@rathitoner.com

**Declaration by the Managing Director Under Clause 49 of the Listing**

As Provided under clause 49 of the Listing Agreement with the Stock Exchange, the Board members and the senior Management Personnel have confirmed compliance with the Code of Conduct laid down by the Company for the year ended 31st March, 2012

Place: New Delhi  
Dated: 03.09.2012

Raj Kumar Rath  
Managing Director

**Contact Person**

Mr. Mahesh Pareek

The above report was placed before the Board and

approved at its meeting held on Monday, the 3rd day of September 2012.

**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, 2012, 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: 3rd September, 2012

**CEO/CFO Certificate**

We certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the

best of our knowledge and belief:

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the 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 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 an employee having a significant role in the company's internal control system over financial reporting.

**Raj Kumar Rathi**  
**Managing Director**

**S. Biswas**  
**Chief Financial Officer**

Place: New Delhi  
Date: 3rd September, 2012

## **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.

### **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 companies 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. 8.48 crores comprise terms loans of Rs. 3.14 Crores and working capital loans of Rs. 5.34 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 management regularly 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, 2012 and also the Statement of Profit and Loss 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 by Amendment Order, 2004 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 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 2012; and
  - (2) In the case of the Statement of Profit and Loss 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: 3rd September, 2012

#### 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, 2012

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- 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 four 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.2452.29 Lacs and the year end balance of loans received from such parties is Rs 822.95 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. a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.

b) In our opinion and according to information and explanations given to us, the transaction made in pursuance of contracts or agreements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 500,000/- in respect of each party have been made at prices which appear reasonable as per information available with the Company except for items stated to be specialized nature where no comparison is possible.

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 an adequate Internal Audit system commensurate with the size of the Company and nature of its business.

8. As informed to us, the Central Government has prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the manufacturing activities of the Company. We have broadly reviewed accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounting records have been made and maintained. We have not, however, carried out detailed examination of the same.

9. a) According to information and explanations given to us, the Company is generally regular in deposits undisputed statutory dues including 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 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, 2012 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	Central 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 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.

15. According to the information and explanations given to us, the company has given corporate guarantee to M/s. RGTL Industries Limited (Formerly known as Rathi Rajasthan Steel Mills Limited) for loans taken by others from bank or financial institutions.

16. As per the information and explanations given to us, the term loan has been applied for the purpose for which it is raised.

17. 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.

18. In our opinion and according to the intimation and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956. As such para 4(xviii) of the Order is not applicable.

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. During the year cover by our audit report, the Company has not raised any money by way of public issue.

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

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

Place: New Delhi  
Date: 3rd September, 2012

# RATHI GRAPHIC TECHNOLOGIES LIMITED

## Balance Sheet as at 31st March, 2012

Particulars	Note No	As at 31.03.2012	As at 31.03.2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	139,390,000	139,390,000
(b) Reserves and Surplus	3	126,165,318	117,649,304
		<b>265,555,318</b>	<b>257,039,304</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	130,652,329	153,990,320
(b) Other Long Term Liabilities	5	1,230,000	1,190,000
(c) Long Term Provisions	6	1,745,107	1,443,431
		<b>132,627,436</b>	<b>156,623,751</b>
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	7	79,548,216	84,079,556
(b) Trade Payables	8	44,423,083	28,662,602
(c) Other Current Liabilities	9	11,217,570	7,346,001
(d) Short-Term Provisions	10	4,320,571	3,884,491
		<b>139,509,440</b>	<b>123,972,650</b>
<b>Total Equity &amp; Liabilities</b>		<b>505,084,754</b>	<b>480,635,705</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	11	164,789,611	129,870,314
(ii) Capital Working-in-Progress		6,169,389	8,950,248
(b) Non-current Investments	12	163,611,620	221,359,010
(c) Deferred tax assets (net)	13	6,327,587	9,101,860
(d) Long term loans and advances	14	7,275,918	13,912,230
(e) Other non-current assets	15	24,444	91,567
		<b>348,198,569</b>	<b>383,285,229</b>
<b>(2) Current Assets</b>			
(a) Inventories	16	82,475,465	69,316,343
(b) Trade receivables	17	83,454,121	67,145,228
(c) Cash and cash equivalents	18	7,563,230	7,360,838
(d) Short-term loans and advances	19	905,448	-
(e) Other current assets	20	16,095,361	10,528,067
		<b>160,493,625</b>	<b>154,350,476</b>
<b>Total Assets</b>		<b>508,692,384</b>	<b>484,986,181</b>

The accompanying Notes 1 to 40 form an integral part of these financial statement.

In terms of our report of even date attached  
For A.K.Maheshwari & Associates  
Chartered Accountants

CA Anand Maheshwari  
PROPRIETOR  
Membership No. : D73875  
Firm Reg. No.: 500106N

Raj Kumar Rathi  
Managing Director

Sandesh Jain  
Director

Susanta Biswas  
Chief Financial Officer

Place: New Delhi  
Date: 3rd September 2012



# RATHI GRAPHIC TECHNOLOGIES LIMITED

## Statement of Profit and Loss for the year ended 31st March, 2012

Sr. No	Particulars	Note No.	As of 31.03.2012	As of 31.03.2011
I	Revenue from operations	21	₹ 207,735,806	₹ 193,536,377
II	Other Income	22	14,402,507	367,001
III	<b>III. Total Revenue (I + II)</b>		<b>222,138,313</b>	<b>193,903,378</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	23	110,991,503	82,260,608
	Purchase of Stock-in-Trade		24,302,582	17,469,000
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	(9,603,692)	4,069,186
	Employee Benefit Expense	25	16,625,412	16,340,788
	Financial Costs	26	13,100,576	11,126,915
	Depreciation and Amortization Expense	27	7,942,138	6,590,183
	Other Expenses	28	44,588,441	42,818,613
	<b>Total Expenses (IV)</b>		<b>207,946,960</b>	<b>180,675,293</b>
V	Profit before exceptional and extraordinary items and tax	(III - IV)	<b>14,191,353</b>	<b>13,228,085</b>
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		<b>14,191,353</b>	<b>13,228,085</b>
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		<b>14,191,353</b>	<b>13,228,085</b>
X	<b>Tax expense:</b>			
	(1) Current tax		2,839,370	2,636,423
	(2) Deferred tax Assets / (Liabilities)		(2,774,273)	932,421
XI	Profit/(Loss) from the period from continuing operations	(IX-X)	<b>8,577,710</b>	<b>11,524,083</b>
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV	Profit/(Loss) for the period (XI + XIV)		<b>8,577,710</b>	<b>11,524,083</b>
XVI	Earning per equity share:	40		
	(1) Basic		0.62	0.83
	(2) Diluted		0.62	0.83

The accompanying Notes 1 to 40 form an integral part of these financial statement.

In terms of our report of even date attached  
For **A.K.Maheshwari & Associates**  
Chartered Accountants

CA A.K.Maheshwari  
PROPRIETOR  
Membership No. : 073875  
Firm Reg. No.: 500106N

Raj Kumar Rathi  
Managing Director

Sandesh Jain  
Director

S.Biswas  
Chief Financial Officer

Place: New Delhi  
Date: 3rd September 2012

## RATHI GRAPHIC TECHNOLOGIES LIMITED

### NOTES-1

#### SIGNIFICANT ACCOUNTING POLICIES

##### I. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The accounts of the Company have been prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India (GAAP) and comply with the mandatory accounting standards notified under the Companies (Accounting Standards) Rules, 2006, as amended, and with the relevant provisions of the Companies Act, 1956. The financial statements are presented in Indian rupees rounded off to nearest decimal.

During the year ended March 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company for presentation of its financial statements. The revised Schedule VI has a significant impact on the presentation and disclosures made in the financial statements. The Company has also reclassified the provisions year figures in accordance with the requirements applicable in the current year.

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised schedule VI of the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and Liabilities.

##### II. TANGIBLE FIXED ASSETS AND DEPRECIATION

- a) Tangible Fixed Assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation / amortization / impairment. The cost of fixed assets includes effect of exchange difference on long term foreign currency borrowings, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowings cost directly attributable to fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Interest on loans and other financial charges in respect of qualifying assets and expenditure incurred on start up and commissioning of the

project and or substantial expansion, including the expenditure incurred on Trial Runs up to the date of commencement of commercial production are capitalized.

- b) Depreciation is provided on Straight Line Method at rates mentioned and in the manner specified in Schedule XIV to the Companies Act, 1956, as amended by Notification No.GSR 756 (E) dated 15th December, 1993 of the Ministry of Law, Justice & Company Law Affairs, Department of Company Affairs.

##### III. INVESTMENTS

Long term investments are stated at cost.

##### IV. VALUATION OF 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.

##### V. 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.

##### VI. BORROWING COSTS

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

##### VII. 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.

### **VIII. 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 assets no longer exists or has decreased.

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

### **IX. REVENUE RECOGNITION**

- (a) Sales are recognized on dispatch of goods to customers. Sales represents invoiced value of goods sold and services rendered, net of sales tax but inclusive of excise duty.
- (b) Profit / Loss on sale of investment and Fixed Assets are recognized in the year of sale.
- (c) Dividend is accounted on receipt basis.
- (d) Interest is accounted on accrual basis.

### **X. EMPLOYEE BENEFIT**

- (a) Short-term employee benefits:

All employee benefit falling due within twelve months of the end of the period in which the employee render the related services are classified as short term employee benefits, which include benefits like salaries, wages etc. are recognized as expenses in the period in which the employee renders the related service and measured accordingly.

- (b) Post-employment benefits:

Post employment benefit plans are classified into defined contribution plans and defined benefit plans in line with the requirements of AS-15 on "Employee Benefit".

#### **Gratuity and Leave Encashment**

Gratuity and leave encashment which are defined benefits are recognized in the Profit and Loss Account based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary.

### **XI. DEFERRED REVENUE EXPENDITURE**

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

### **XII. MISCELLANEOUS EXPENDITURE**

Miscellaneous Expenditure is written off over a five year.

## Rathi Graphic Technologies Limited

### Notes forming Integral Part of the Balance Sheet as at 31st March, 2012

#### 2. Share Capital

Sr. No	Particulars	As at 31.03.2012	As at 31.03.11
1	<b>AUTHORIZED CAPITAL</b> 1,85,00,000 Equity Shares of Rs. 10/- each. (Previous year 1,85,00,000 Equity Shares of Rs.10/- each)	185,000,000	185,000,000
		<b>185,000,000</b>	<b>185,000,000</b>
2	<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b> 13939000 Equity Shares of Rs. 10/- each, Fully Paid up Share capital by allotment (Previous year 13939000 Equity Share of Rs.10/- each, fully paid up)	139,390,000	139,390,000
	<b>Total in ₹</b>	<b>139,390,000</b>	<b>139,390,000</b>

Note:

a)	<b>Reconciliation of Equity Share Capital (In Number)</b>		
	Shares Outstanding at the beginning of the year (Nos)	13,939,000	13,939,000
	Add: Shares Issued during the year (Nos)	-	-
	Less: Shares bought back during the year (Nos)	-	-
	Shares Outstanding at the end of the year (Nos)	<b>13,939,000</b>	<b>13,939,000</b>

b) The Company has only one class of Equity Shares having face value of Rs. 10/- each and each shareholder is entitled to one vote per share. Each shareholders have the right in profit/surplus in proportion to amount paid up with respect to shareholder.

c) Following Shareholders hold equity shares more than 5% of the total equity shares of the Company at the end of the period:

Name of Shareholder	No of Shares	% of Shareholding
DBG Leasing & Housing Limited	1,580,000	11.34
Alpha Stock & Finservices Pvt.Ltd.	1,178,158	8.45
Shark Packaging (India) Pvt.Ltd.	2,688,800	19.29
Raj Kumar Rathi	2,689,531	19.30

d) The Company has not issued shares for a consideration other than cash or bonus during the immediately preceding 5 years.

#### 3. Reserve & Surplus

Sr. No	Particulars	As at 31.03.2012	As at 31.03.11
1	Capital Reserve Beginning of the year	2,000,000	2,000,000
	Additions during the year	-	-
	Deletion during the year	-	-
	Closing Balance	<b>2,000,000</b>	<b>2,000,000</b>
2	Share Premium Account Beginning of the year	30,916,000	30,916,000
	Addition	-	-
	Closing Balance	<b>30,916,000</b>	<b>30,916,000</b>
3	Revaluation Reserve Beginning of the year	70,621,437	70,498,045
	Addition	-	123,392
	Deletion	61,696	-
	Closing Balance	<b>70,559,741</b>	<b>70,621,437</b>
4	Profit & Loss Account Beginning of the year	14,111,867	2,587,784
	Surplus as per Profit & Loss Account	8,577,710	11,524,083
	Deduction: Transferred to General Reserve	-	-
	Closing Balance -Profit and Loss Account	<b>22,689,577</b>	<b>14,111,867</b>
	<b>Total in ₹</b>	<b>126,165,318</b>	<b>117,449,304</b>

## Rathi Graphic Technologies Limited

### Notes forming Integral Part of the Balance Sheet as at 31st March, 2012

#### 4. Long Term Borrowings

Sr. No.	Particulars	As at 31.03.2012	As at 31.03.11
1	<b>Secured Loans</b>		
a)	Term Loan		
	- From Bank	31,393,162	12,740,351
b)	Car Loan		
	- From Bank	1,145,649	483,551
	- From Other	4,758,831	7,450,775
		37,297,642	20,674,677
	Less: Current Maturities of Long Term Borrowings		
	Term Loan		
	- From Bank	7,469,680	7,777,423
	Car Loan		
	- From Bank	401,236	272,901
	- From Other	3,885,766	5,799,909
		11,756,682	13,850,233
		25,540,960	6,824,444
2	<b>Unsecured Loans</b>		
a)	- From Bank	214,736	2,202,130
b)	- From Others	6,137,138	-
		6,351,874	2,202,130
	Less: Current Maturities of Long Term Borrowings		
	- From Bank	214,736	1,987,394
	- From Others	1,875,222	-
		2,089,958	1,987,394
		4,261,916	214,736
3	Loans & Advances From Related Parties	96,249,453	144,764,200
4	Others	4,600,000	2,186,940
	Total in ₹	139,662,329	153,990,328

#### Notes:

- The Term Loan from State Bank of Bikaner and Jaipur 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 (present and future) and personal Guarantee of one Director and his one relative.
- Balance of Term Loan-I is payable in 7 quarterly instalments started from April, 2012 (Previous year repayable in 11 quarterly instalment from April, 2011).
- Balance of Term Loan-II is payable in 18 quarterly instalments started from April, 2012 (Previous year repayable in 2 quarterly instalment from October, 2011).
- Car Loan are secured against hypothecation of vehicles purchase thereunder. Repayment of monthly instalment till the tenure of loan concerned.

#### 5. Other Long Term Liabilities

Sr. No.	Particulars	As at 31.03.2012	As at 31.03.11
1	<b>Security Deposit</b>		
	Security Deposit from Dealers	1,230,000	1,190,000
	Total in ₹	1,230,000	1,190,000

## Rathi Graphic Technologies Limited

### Notes forming Integral Part of the Balance Sheet as at 31st March, 2012

#### 6. Other Long Term Provisions

Sr. No	Particulars	As at 31.03.2012	As at 31.03.11
1	<b>Provision for Gratuity &amp; Leave Encashment</b>		
	Gratuity Payable	1,458,073	1,211,754
	Leave Encashment Payable	287,034	231,677
	<b>Total in ₹</b>	<b>1,745,107</b>	<b>1,443,431</b>

#### 7. Short Term Borrowings

Sr. No	Particulars	As at 31.03.2012	As at 31.03.11
1	<b>Loan Repayable on Demand</b>		
	- Cash Credit	65,701,576	60,061,538
	- SLC		8,180,391
2	<b>Current Maturities of Long Term Borrowings</b>		
	- Secured	11,756,682	13,850,233
	- Unsecured	2,089,958	1,987,384
	<b>Total in ₹</b>	<b>79,548,216</b>	<b>84,079,556</b>

#### Notes:

- a) The Working Capital limit from State Bank of Bikaner and Jaipur 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 and Building at Bhiwadi, Rajasthan and Personal guarantee of one Director and his one relative.

#### 8. Trades Payable

Sr. No	Particulars	As at 31.03.2012	As at 31.03.11
1	Raw Materials	41278226	26,617,255
2	Stores & Others	3144857	2,045,347
	<b>Total in ₹</b>	<b>44,423,083</b>	<b>28,662,602</b>

#### 9. Other Current Liabilities

Sr. No	Particulars	As at 31.03.2012	As at 31.03.11
1	For Expenses	5371656	2,769,154
2	Advance from Customers & Others	189468	120,959
3	Statutory Dues	5656446	4,455,888
	<b>Total in ₹</b>	<b>11,217,570</b>	<b>7,346,001</b>

#### 10. Short Term Provisions

Sr. No	Particulars	As at 31.03.2012	As at 31.03.11
1	<b>Provision For Employees Benefit</b>		
	Gratuity Payable	114,813	0
	Leave Encashment Payable	19,367	0
	Bonus & Exgratia Payable	224,362	213758
	Salary & Wages Payable	1122659	1034312
	Sub Total-A	1481201	1248068
2	<b>Others</b>		
	Provision for Taxation	2,839,370	2636423
	Sub Total-B	2839370	2636423
	<b>Total (A+B) in ₹</b>	<b>4,320,571</b>	<b>3,884,491</b>

**Rathl Graphic Technologies Limited**  
**Notes forming Integral Part of the Balance Sheet as at 31st March, 2012**

**11. Fixed Asset**

Sl. No.	Particulars	Rate	Gross Asset		Depreciation		Net Asset		Value at the end of the year	Value at the end of the previous year
			At the beginning of the year	Added during the year	At the beginning of the year	During the year	At the beginning of the year	At the end of the year		
<b>I. Tangible Assets</b>										
1	Land	0.00%	71,400,000	-	71,400,000	-	71,400,000	71,400,000	71,400,000	
2	Industrial Building	3.34%	38,237,274	-	38,237,274	-	19,112,859	19,112,859	19,112,859	
3	Plant and Equipment	4.75%	71,228,608	41,945,190	114,173,798	4,491,933	53,326,607	60,847,191	23,393,934	
4	Furniture & Fixtures	6.33%	5,053,815	19,418	5,073,233	320,378	2,253,981	2,819,256	3,120,216	
5	Vehicles (Cars)	9.50%	11,899,178	799,280	12,698,458	1,163,598	4,915,516	7,790,018	7,819,019	
6	Office Equipment	4.75%	4,197,854	152,013	4,349,867	209,842	1,925,183	2,419,684	2,477,513	
7	Computer	16.21%	1,333,656	-	1,333,656	216,386	1,307,077	86,579	242,765	
8	Electric Installation	4.75%	3,953,268	43,095	3,996,363	188,535	3,195,568	800,793	946,215	
9	Tubewell & Borewell	3.34%	115,941	-	115,941	3,872	68,543	47,398	53,270	
10	Tools & Dies	3.34%	106,772	-	106,772	3,566	82,457	24,315	27,882	
	<b>SUB TOTAL (A)</b>		<b>1,51,229,522</b>	<b>42,802,427</b>	<b>1,94,031,949</b>	<b>11,777,727</b>	<b>1,82,254,222</b>	<b>1,82,254,222</b>	<b>1,82,254,222</b>	
<b>II. Intangible Assets</b>										
1	Capital Works-in-progress		5,511,229	648,160	6,159,389	-	-	6,159,389	5,511,229	
2	Building Under Construction		5,429,019	3,429,019	8,858,038	-	-	8,858,038	5,429,019	
	<b>SUB TOTAL (B)</b>		<b>10,940,248</b>	<b>3,429,019</b>	<b>14,369,267</b>	<b>-</b>	<b>-</b>	<b>14,369,267</b>	<b>10,940,248</b>	
	<b>Total (A + B) [Current Year]</b>		<b>1,62,169,770</b>	<b>3,429,019</b>	<b>208,401,036</b>	<b>11,777,727</b>	<b>1,96,623,309</b>	<b>1,96,623,309</b>	<b>1,96,623,309</b>	
	<b>Total [Previous Year]</b>		<b>209,272,507</b>	<b>8,200,841</b>	<b>217,473,348</b>	<b>11,777,727</b>	<b>205,695,621</b>	<b>205,695,621</b>	<b>205,695,621</b>	

**Rathi Graphic Technologies Limited**  
**Notes forming Integral Part of the Balance Sheet as at 31st March, 2012**

12. Non Current Investment			
Sr. No	Particulars	As at 31.03.2012	As at 31.03.11
1	Investment in Property	2,935,261	2,794,460
2	Investment in Equity Instrument		
	<u>a. Quoted fully paid</u>		
	Rathi Steel And Power Limited	1,245,550	1,245,550
	24911 shares @ Rs.50 /- per shares (Previous year 24911 shares @50/- per shares)		
	<u>b. Unquoted fully paid</u>		
	Investment in Subsidiary Company	159,430,809	217,319,000
	RGTL Industries Limited (formerly Rathi Rajasthan Steel Mills Limited)		
	6335580 Shares of Rs.25.16 per shares (Previous year 8636380 shares of Rs.25.16 per Shares)		
	<b>Total in ₹</b>	<b>163,611,620</b>	<b>221,358,910</b>

Notes:

- a) Market value of quoted investment of Rs.245872/- (Previous year Rs.4,22,241/-)  
 b) The Company has sold 23,00,800 shares of M/s RGTL Industries Limited to M/s.Shark Packaging (I) Pvt.Ltd. @Rs.31.25 per Share

**13. Deferred Tax Assets**

Sr. No	Particulars	As at 31.03.2012	As at 31.03.11
1	Beginning of the Year	9,101,860	8,169,439
	Less: Deferred Tax Assets / (Liabilities)	(2774273)	992,421
	<b>Total in ₹</b>	<b>6,327,587</b>	<b>9,101,860</b>

**14. Long Term Loans and Advances**

Sr. No	Particulars	As at 31.03.2012	As at 31.03.11
1	<u>Capital Assets</u>		
	<u>a) Secured, Considered Good :</u>	5,599,811	12,236,567
2	<u>Security Deposit</u>		
	<u>a) Secured, Considered Good :</u>	1,361,300	1,361,300
	- Government		
	<u>b) Unsecured, Considered Good :</u>	314,807	314,363
	- Others		
	<b>Total in ₹</b>	<b>7,275,918</b>	<b>13,912,230</b>

**15. Other Non Current Assets**

Sr. No	Particulars	As at 31.03.2012	As at 31.03.11
1	Miscellaneous Expenditure	24,444	91,567
	<b>Total in ₹</b>	<b>24,444</b>	<b>91,567</b>



## Rathi Graphic Technologies Limited

### Notes forming Integral Part of the Balance Sheet as at 31st March, 2012

#### 16. Inventories

Sr. No.	Particulars	As at 31.03.2012	As at 31.03.11
1	Raw Material	29,866,699	26,077,407
2	Finished Goods	31,619,924	25,213,332
3	Stores & Spares	2,865,161	3,730,313
4	Furnace Oil	48,096	73,450
5	Packing Materials	3,792,872	4,448,247
6	Work in Process	12,187,341	7,213,144
7	Scrap	197,000	197,000
8	Schem Items	1,898,372	2,363,450
	<b>Total in ₹</b>	<b>82,475,445</b>	<b>69,318,343</b>

#### 17. Trade Receivables

Sr. No.	Particulars	As at 31.03.2012	As at 31.03.11
1	<u>Outstanding for more than six months</u>		
	a) Unsecured, Considered Good :	3,699,661	1,066,545
2	<u>Others</u>		
	a) Unsecured, Considered Good :	79,754,460	66,078,683
	<b>Total in ₹</b>	<b>83,454,121</b>	<b>67,145,228</b>

#### 18. Cash & Cash Equivalent

Sr. No.	Particulars	As at 31.03.2012	As at 31.03.11
1	<u>Cash-in-Hand</u>		
	Cash Balance	3,894,515	1,035,635
	Petty Cash Balance		
	<b>Sub Total (A)</b>	<b>3,894,515</b>	<b>1,035,635</b>
2	<u>Bank Balance</u>		
	Balance with schedule bank	542,897	786,635
	In Fixed Deposit (lodged as Margin Money)	3,125,818	5,538,568
	<b>Sub Total (B)</b>	<b>3,668,715</b>	<b>6,325,203</b>
	<b>Total [ A + B ]</b>	<b>7,563,230</b>	<b>7,360,838</b>

#### 19. Short Terms Loans and Advances

Sr. No.	Particulars	As at 31.03.2012	As at 31.03.11
1	<u>a) Unsecured, Considered Good :</u>		
	- Others	905,448	
	<b>Total in ₹</b>	<b>905,448</b>	

#### 20. Other Current Assets

Sr. No.	Particulars	As at 31.03.2012	As at 31.03.11
1	Advance Recoverable in cash or in kind or for value to be considered good	3,257,921	5,301,108
2	Advance to Suppliers	1,669,170	756,423
3	Advance Income Tax/Refund Due	424,245	374,812
4	Balance With Revenue Authorities ( Indirect Taxes)	10,551,535	3,822,953
5	Prepaid Expenses	192,490	272,771
	<b>Total in ₹</b>	<b>16,095,361</b>	<b>10,528,067</b>

## Rathi Graphic Technologies Limited

### Notes forming Part of Statement of Profit and Loss as at 31st March, 2012

#### 21. Revenue from Operations

Sr. No	Particulars	As at 31.03.2012	As at 31.03.11
1	Sales-Manufacturing	198,574,544	187,280,122
	Less: Excise Duty	16,480,297	14,469,014
		182,094,247	172,811,108
2	Sales-Trading	25,641,559	20,725,269
	Total in ₹	207,735,806	193,536,377

#### 22. Other Income

Sr. No	Particulars	As at 31.03.2012	As at 31.03.11
1	Interest on FDR's	321,529	340,806
2	Dividend Received	7,473	7,473
3	Miscellaneous Income	61,696	12,693
4	Profit on sales on Investment	14,011,809	-
5	Written off	-	6,029
	Total in ₹	14,402,507	367,001

#### 23. Cost of Material Consumed

Sr. No	Particulars	As at 31.03.2012	As at 31.03.11
1	Raw Materials Consumed	106,622,587	79,938,739
2	Packing Materials Consumed	4,368,916	2,321,869
	Total in ₹	110,991,503	82,260,608

#### 24. Change in Inventories

Sr. No	Particulars	As at 31.03.2012	As at 31.03.11
1	Opening Stock of Finished Goods	25,213,332	24,551,584
	Opening Stock of Work-in-Process	7,213,144	8,915,746
	Opening Stock of Scrap	197,000	197,000
	Sub-Total (A)	32,623,476	33,664,330
2	Closing Stock of Finished Goods	31619924	25,213,332
	Closing Stock of Work-in-Process	12187341	7,213,144
	Closing stock of Scrap	197000	197,000
	Sub-Total (B)	43,997,265	32,623,476
	Differnece (A-B)	(11,380,789)	1,040,854
	Add: Increase/ (Decrease) in excise duty on stock	1,777,097	3,028,332
	Total in ₹	(9,603,692)	4,069,186

#### 25. Employment Benefit Expenses

Sr. No	Particulars	As at 31.03.2012	As at 31.03.11
1	Salary & Wages and Other Benefit	12,836,155	12,372,342
2	Contribution To Provident and other Funds	737,500	696,898
3	Staff Welfare Expenses	171,757	391,548
4	Directors Remuneration	2,880,000	2,880,000
	Total in ₹	16,625,412	16,340,788

**Rathi Graphic Technologies Limited**

**Notes forming Part of Statement of Profit and Loss as at 31st March, 2012**

**26. Financial Cost**

		₹	₹
Sl. No.	Particulars	As at 31.03.2012	As at 31.03.11
1	Interest on Cash Credit Facility	8,289,377	6,801,749
2	Interest on Term loan	1,493,745	1,059,107
3	Interest on Car loan	1,341,951	1,294,126
4	Interest on Other loans	646,126	1,196,759
5	Other charges	610,080	775,174
6	Processing Fees	719,297	
<b>Total in ₹</b>		<b>13,109,576</b>	<b>11,126,915</b>

**27. Depreciation & Amortised Cost**

		₹	₹
Sl. No.	Particulars	As at 31.03.2012	As at 31.03.11
1	Depreciation	7,875,015	6,523,060
2	Preliminary Expenses W/O	67,123	67,123
<b>Total in ₹</b>		<b>7,942,138</b>	<b>6,590,183</b>

**Rathi Graphic Technologies Limited**

**Notes forming Part of Statement of Profit and Loss as at 31st March, 2012**

**28. Other Expenses**

Sr. No	Particulars	As at 31.03.2012	As at 31.03.11
	<b>Other Manufacturing Expenses</b>		
1	Stores and Spares Consumed	2,750,110	1,774,146
2	Power & Fuel Expenses	13,607,828	11,226,619
3	Insurance	472,445	393,888
	Sub Total (a)	<b>16,830,383</b>	<b>13,394,653</b>
	<b>Repair &amp; Maintenance</b>		
1	Factory Building	56,223	139,896
2	Plant & Machinery	491,473	662,146
3	Vehicles	889,778	940,638
4	Others	509,747	457,713
	Sub Total (b)	<b>1,947,221</b>	<b>2,200,393</b>
	<b>Administrative Expenses</b>		
1	Telephone Expenses	764,005	804,133
2	Travelling & Conveyance Expenses	3,975,299	3,659,291
3	Fees & Subscription	328,406	313,777
4	General Expenses	936,411	669,457
5	Insurance Expenses-Key Man	844,500	1,055,625
6	Legal & Professional Charges	1,252,764	509,747
7	Freight Outwards	2,610,849	1,096,767
8	Postage & Telegram	141,309	96,155
9	Previous Year expenses	704,743	314,207
10	ROC Expenses	1,500	3,000
11	Service Tax Paid	18,777	14,966
12	Printing & Stationery Expenses	340,544	600,559
13	Rent, Rates & Taxes	1,113,445	1,619,442
14	Research & Development Expenses	680	1,765
15	Bank Charges	1,146,817	965,554
16	Donation	7,323	14,457
17	Director Sitting Fees	12,000	31,500
18	<b>Auditors's Remuneration</b>		
	Audit Fees	100,000	100,000
	Tax Audit Fees	20,000	20,000
19	Loss on Sale on Fixed Assets	139,100	-
	Sub Total (c)	<b>14,458,472</b>	<b>13,890,402</b>
	<b>Selling &amp; Distribution Expenses</b>		
1	Advertisement & Publicity Expenses	938307.00	822,528
2	Discount	2576494.00	3,470,628
3	Commission on Sales	97791.00	230,405
4	Sales Promotion	7739773.00	10,809,604
	Sub Total (d)	<b>11,352,365</b>	<b>15,333,165</b>
	<b>Total (a+b+c+d) in ₹</b>	<b>44,588,441</b>	<b>42,818,613</b>

## OTHER NOTES ON ACCOUNTS

### 29. PROVISION FOR CURRENT AND DEFERRED TAX

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

Deferred Tax Assets / Liabilities 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. The components of Deferred Tax Assets/Liabilities in accordance with the AS-22 "Accounting for taxes on Income" as on 31.03.2012 are as follows:

Particulars	31.03.2012 (Rs.)	31.03.2011 (Rs.)
Depreciation as per Companies Act	7875015	65,23,060
Depreciation as per Income Tax Act	16861568	40,91,891
	8986551	24,31,169
<b>Creation of Deferred Tax Liabilities/ (Assets) (A)</b>	<b>2915686</b>	<b>(8,28,354)</b>
Provision for Gratuity	3,61,132	2,99,958
Provision for Leave Encashment	74,724	12,083
	4,35,856	3,12,052
<b>Creation of Deferred Tax Assets (B)</b>	<b>1,41,413</b>	<b>1,06,067</b>
<b>Net Deferred Tax Liabilities (A-B)</b>	<b>2774273</b>	<b>9,32,421</b>
Closing Balance of Deferred Tax Liabilities/(Assets) (A-B) transfer to Balance Sheet	6327567	81,01,860

### 30. RELATED PARTY DISCLOSURES

In accordance with the Accounting Standards (AS-18) on Related Party Disclosures, where control exists and where key management personnel are able to exercise significant influence and, where transactions have taken place during the year, along with description of relationship as identified, are given below:

#### a) Relationships

##### I. Key Management Personnel

Particulars	Name of Related Parties
Associates	RGTL Industries Limited (Formerly Rathi Rajasthan Steel Mills Limited)
	Rathi Steel And Power Limited
	Alpha Stock & Finservices Pvt Ltd
	Shark Packaging (India) Pvt.Ltd.
	Rathi Iron And Steel Industries Limited
	DBG Leasing & Housing Pvt.Ltd.
	Rathi Electrosteel Limited
Archit Securities (P) Limited	
Key Management Personnel	Sh.Raj Kumar Rathi (Managing Director)
Relatives of Key Management Personnel	Punam Chand Rathi HUF

Sr. no.	Name of the Related Party	Relationship	Nature of Transaction	Debit Transactions	Credit Transactions	Balance as at Mar. 31, 2012	Balance as at Mar. 31, 2011
1	Alpha Stock & Finservices Pvt Ltd	Associates	Unsecured Loans	9,00,05,000	9,00,00,000	6,07,89,350 Cr	8,07,94,350 Cr
2	Rathi Electrosteel Limited	Associates	Unsecured Loans	3,00,000	4,00,000	25,74,100 Cr	25,74,100 Cr
3	Shark Packaging (India) Pvt.Ltd	Associates	Unsecured Loans	14,88,10,000	7,69,00,000	94,85,750 Cr	8,13,95,750 Cr
4	Archit Securities (P) Limited	Associates	Unsecured Loans	Nil	50,86,940	50,84,160 Cr	2,780 Dr
5	DBG Leasing & Housing Pvt.Ltd.	Associates	Unsecured Loans	8,05,840	49,00,000	40,91,330 Cr	2,830 Dr
6	Raj Kumar Rathi HUF	Associates	Unsecured Loans	3,00,000	7,00,000	4,00,000 Cr	Nil
7	RGTL Industries Limited (Formerly Rathi Rajasthan Steel Mills Limited)	Associates	Unsecured Loans	19,55,41,899	20,48,37,273	92,95,374 Cr	Nil
8	Rathi Iron And Steel Industries Limited	Associates	Unsecured Loans	79,90,960	1,00,87,041	18,20,389 Cr	4,75,692 Dr
9	Rathi Steel And Power Limited	Associates	Unsecured Loans	93,16,292	1,21,63,492	27,59,000 Cr	88,200 Dr
10	Punam Chand Rathi	Relative to Director	Rent	1,68,590	2,38,773	901388 Dr	9,71,571 Dr
11	Mr. Raj Kumar Rathi	Managing Director	Remuneration	25,28,000	25,67,000	2,13,000 Cr	1,75,000 Cr
			Advance	60,05,210	59,80,000	90,960 Dr	45,750 Dr

31. (A) Value of Raw Material consumed:

Rs.in Lacs

Particulars	Current Year	%	Previous Year	%
Imported	807.56	72.78	794.40	96.67
Indigenous	302.36	27.24	28.21	3.43
Total	1109.92	100	822.61	100

(B) Value of Purchased of Trading Goods

Rs.in Lacs

Particulars	Current Year	Previous Year
Trading Items	243.03	174.89
Total	243.03	174.89

(C) Value of Stores consumed:

Rs.in Lacs

Particulars	Current Year	%	Previous Year	%
Imported	Nil	Nil	Nil	Nil
Indigenous	27.50	100	17.74	100
Total	27.50	100	17.74	100

(D) Details of Finished Goods

Rs.in Lacs

Particulars	Current Year		Previous Year	
	Op-Stock Value	Cl-Stock Value	Op-Stock Value	Cl-Stock Value
Tonner	247.10	314.87	238.23	247.10
Developers	5.03	1.33	7.29	5.03

(E) Details of Work -in- Process

Rs.in Lacs

Particulars	Current Year	Previous Year
Raw Materials	121.87	72.13

(F) Particulars in respect of Sales

Rs.in Lacs

Particulars	Current Year	Previous Year
Tonner	1982.48	1870.59
Developers	3.28	2.21
Trading Items	256.42	207.25
Total	2242.16	2080.05

(G) Value of Import during the year (CIF Basis but exclusive of Custom Duty)

Rs.in Lacs

Particulars	Current Year	Previous Year
Raw Materials	846.86	780.51
Total	846.86	780.51

32. Payment to Auditors

	Current Year In Rs.	Previous Year In Rs.
For Statutory Audit	1,10,300/-	1,10,300/-
For Tax Audit	22,060/-	22,060/-
For Other Capacity	55,150/-	Nil
<b>TOTAL</b>	<b>1,87,510/-</b>	<b>1,32,360/-</b>

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

34. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account is Nil. (Previous year Rs.1.11 Crores).

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

From	To	Extent of exemption
6.9.2011	5.9.2012	30 %
6.9.2012	5.9.2013	30 %

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

37. CONTINGENT LIABILITIES

Contingent Liabilities not provided for:

i) Letter of Credit established in favour of the suppliers for raw materials Rs.1,10,75,124/- (Previous year Rs.94,31,230/-).

ii) The Company has given corporate guarantee to M/s. RGTL Industries Limited for loan taken by others from bank or financial institutions.

38. 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.

39. 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.

#### 40. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

Earning per Equity Shares	Current Year			Previous Year		
	No. of Shares	Net Profit after Tax	EPS	No of Shares	Net Profit after Tax	EPS
Basic	13939000	8577710	0.62	13939000	11524063	0.83
Diluted	13939000	8577710	0.62	13939000	11524063	0.83

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

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

**(Raj Kumar Rathi)**  
Managing Director

**(Sandesh Jain)**  
Director

Place : New Delhi  
Date : 03.09.2012

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

## RATHI GRAPHIC TECHNOLOGIES LIMITED

### Cash Flow Statement for the year ended 31st March,2012

Particulars	As at 31.03.2012 ₹	As at 31.03.2011 ₹
<b>Cash Flow from Operating Activities</b>		
<b>Net Profit before taxation, and extraordinary items</b>	14191353	13228083
Adjustment for:		
Depreciation	7875015	6523060
Interest Income	(321529)	(340806)
Dividend Income	(7473)	(7473)
Interest Paid	13100576	12092469
Other misc. Income	(61896)	(18722)
Loss on sale of Fixed Assets	139100	
Profit on sale of Investment	(14011809)	
Misc Expenses Written off	67123	67123
<b>Operating Profit before working Capital changes</b>	<b>20970680</b>	<b>31543734</b>
(Increase)/Decrease in Trade Receivables	(16308893)	(23813511)
(Increase)/Decrease in Inventories	(13159122)	(629897)
(Increase)/Decrease in Trade Payables	15760481	7517943
<b>Cash generated from Operations</b>	<b>7263128</b>	<b>14618289</b>
Income Tax Paid	2839370	2838423
<b>Cash Flow before extraordinary item</b>	<b>4423755</b>	<b>11981846</b>
Extraordinary items (specifying nature)	0	0
<b>Net Cash from Operating Activities -A</b>	<b>4423755</b>	<b>11981846</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Tangible Fixed Assets	(43114282)	(8200061)
Purchase of Intangible Fixed Assets	0	0
Purchase of Long Term Investment		(32827082)
Sales of Tangible Fixed Assets	332000	0
Sales of Long Term Investments	71900000	0
Interest Received	321529	340806
Dividend Received	7473	7473
Other misc. Income	61896	6030
<b>Net Cash from Investing Activities -B</b>	<b>29586418</b>	<b>(48672834)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from issuance of Share Capital (Including Share Premium)	0	0
Proceeds from Long Term Borrowings	(23685033)	28418973
Proceeds from Short Term Borrowings	117986	59186
Repayment of Loans & Advances	2937844	11847473
Interest Paid	(13100576)	(12092469)
<b>Net Cash used in Financing Activities -C</b>	<b>(33729779)</b>	<b>28633163</b>
<b>Net increase in cash and Cash Equivalents (A+B+C)</b>	<b>202392</b>	<b>(657825)</b>
<b>Cash and Cash Equivalents at beginning of period (See Note 1)</b>	<b>7360838</b>	<b>8018863</b>
<b>Cash and Cash Equivalents at end of period (See Note 1)</b>	<b>7563230</b>	<b>7360838</b>

*The accompanying Notes 1 to 40 form an integral part of these financial statement.*

For A.K. Maheshwari & Associates  
Chartered Accountants

CA A.K. Maheshwari  
PROPRIETOR  
Membership No. : 073875  
Firm Reg. No. : 500106N

Raj Kumar Rathi  
Managing Director

Sandesh Jain  
Director

S. Biswas  
Chief Financial Officer

Place: New Delhi  
Date: 3rd September, 2012



**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, 2012, the Consolidated Statement of Profit and Loss 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.RGTL Industries Limited (Formerly known as Rathi Rajasthan Steel Mills Limited), whose financial statements reflect total assets of Rs. 1,90,10,12,698/- as at 31st March, 2012 and total revenue of Rs. 3,14,12,71,062/- and net cash flows amounting to Rs. 12,03,448/- 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 consolidated State of Affairs of the Company as at 31st March, 2012;
- b) in case of the Consolidated Statement of Profit and Loss, of the consolidated results of operations of the Company for the year ended on that date; and
- c) in case of the Consolidated Cash Flow Statement, of the consolidated 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: 3rd September, 2012

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No	As at 31.03.2012	As at 31.03.2011
		₹	₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	139,390,000	139,390,000
(b) Reserves and Surplus	3	668,322,668	595,695,562
		<b>807,712,668</b>	<b>735,085,562</b>
<b>Minority Interest</b>		279,888,191	-
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	435,892,501	548,283,525
(b) Deferred Tax Liabilities (Net)	5	10,272,128	6,274,984
(c) Other Long Term Liabilities	6	1,230,000	1,190,000
(d) Long Term Provisions	7	2,314,818	1,882,159
		<b>729,597,638</b>	<b>557,630,668</b>
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	8	554,504,918	355,647,778
(b) Trade Payables	9	124,452,141	137,276,322
(c) Other Current Liabilities	10	36,477,166	63,841,297
(d) Short-Term Provisions	11	21,201,962	17,533,074
		<b>736,636,187</b>	<b>574,298,471</b>
<b>Total Equity &amp; Liabilities</b>		<b>2,273,946,493</b>	<b>1,867,014,701</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	12	1,140,731,631	1,076,631,649
(ii) Capital Work-In-Progress		11,413,420	9,084,333
(b) Non-current investments	13	27,092,761	25,243,010
(c) Long term loans and advances	14	65,477,703	19,349,955
(d) Other non-current assets	15	3,638,725	2,942,961
		<b>1,248,354,240</b>	<b>1,133,251,908</b>
<b>(2) Current Assets</b>			
(a) Inventories	16	258,447,084	211,568,306
(b) Trade receivables	17	668,140,907	453,107,679
(c) Cash and cash equivalents	18	12,514,212	9,308,372
(d) Short-term loans and advances	19	7,280,448	-
(e) Other current assets	20	79,209,602	59,778,436
		<b>1,025,592,253</b>	<b>733,762,793</b>
<b>Total Assets</b>		<b>2,273,946,493</b>	<b>1,867,014,701</b>

**NOTES TO ACCOUNTS**

*The accompanying notes 1 to 42 form an integral part of these financial statement*

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

CA Anand Maheshwari  
PROPRIETOR  
Membership No. : 073875  
Firm Reg. No.: 500106N

Raj Kumar Rathl  
Managing Director

Sandesh Jain  
Director

Susanta Biswas  
Chief Financial Officer

Place: New Delhi  
Date: 3rd September, 2012

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Sr. No.	Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
			₹	₹
I	Revenue from operations	21	3,353,095,780	2,853,457,802
II	Other income	22	21,530,729	16,471,209
III	<b>III. Total Revenue (I+II)</b>		<b>3,374,626,509</b>	<b>2,869,929,011</b>
IV	<b>EXPENSES:</b>			
	Cost of materials consumed	23	2,903,821,650	2,460,832,599
	Purchase of Stock-in-Trade		24,302,582	17,469,000
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	(28,307,253)	(2,872,158)
	Employee Benefit Expense	25	27,828,404	25,714,632
	Financial Costs	26	106,933,036	66,526,823
	Depreciation and Amortization Expense	27	30,963,174	20,722,410
	Other Expenses	28	213,218,196	203,526,652
	<b>Total Expenses (IV)</b>		<b>3,278,758,789</b>	<b>2,799,519,958</b>
V	Profit before exceptional and extraordinary items and tax	(III - IV)	<b>95,867,720</b>	<b>78,089,053</b>
VI	Exceptional items			
VII	Profit before extraordinary items and tax (V - VI)		<b>95,867,720</b>	<b>78,089,053</b>
VIII	Extraordinary items			
IX	Profit before tax (VII - VIII)		<b>95,867,720</b>	<b>78,089,053</b>
X	<b>Tax expense:</b>			
	(1) Current tax		19,180,774	15,547,594
	(2) Deferred tax Assets / (Liabilities)		(3997144)	(7124116)
XI	Profit/(Loss) from the period from continuing operations	(IX-X)	<b>72,689,802</b>	<b>55,337,343</b>
XII	Profit/(Loss) from discontinuing operations			
XIII	Tax expense of discontinuing operations			
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)			
XV	Profit/(Loss) for the period (XI + XIV)		<b>72,689,802</b>	<b>55,337,343</b>
XVI	Earning per equity share:	42		
	(1) Basic		5.21	3.97
	(2) Diluted		5.21	3.97
<i>The accompanying notes 1 to 42 form an integral part of these financial statement</i>				
<p><b>For A.K. Maheshwari &amp; Associates</b> Chartered Accountants</p>				
<p>CA A.K. Maheshwari PROPRIETOR Membership No. : 073875 Firm Reg. No. : 500106N</p>		<p>Raj Kumar Rathi Managing Director</p>	<p>Sandesh Jain Director</p>	<p>S. Biswas Chief Financial Officer</p>
<p>Place: New Delhi Date: 3rd September, 2012</p>				

## Notes on Consolidated Accounts

### NOTE- 1

#### A: SIGNIFICANT ACCOUNTING POLICIES:

##### I. 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.

##### II. 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 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.

##### III. 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, 2012
1	RGTL Industries Limited	India	51.36%

##### IV. 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.

##### V. 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.

##### VI. TANGIBLE FIXED ASSETS AND DEPRECIATION

- (a) Tangible Fixed Assets are stated at original

cost net of tax/duty credits availed, if any, less accumulated depreciation /amortization / impairment. The cost of fixed assets includes effect of exchange difference on long term foreign currency borrowings, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowings cost directly attributable to fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Interest on loans and other financial charges in respect of qualifying assets and expenditure incurred on start up and commissioning of the project and or substantial expansion, including the expenditure incurred on Trial Runs up to the date of commencement of commercial production are capitalized.

- (b) Depreciation is provided on Straight Line Method at rates mentioned and in the manner specified in Schedule XIV to the Companies Act, 1956, as amended by Notification No.GSR 756 (E) dated 15th December, 1993 of the Ministry of Law, Justice & Company Law Affairs, Department of Company Affairs.

##### VII. INVESTMENTS

Long term investments are stated at cost.

##### VIII. VALUATION OF INVENTORIES

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

- Stocks of Raw Materials are valued at cost by adopting FIFO Method.
- Stock of Work in process is valued at cost of Raw Material and proportionate direct manufacturing expenses.
- Stock of stores, spares and packing material are valued at cost by adopting FIFO Method.
- 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.

##### IX. 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.

## **X. BORROWING COSTS**

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

## **XI. 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.

## **XII. 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 assets no longer exists or has decreased.

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

## **XIII. REVENUE RECOGNITION**

- (a) Sales are recognized on dispatch of goods to customers. Sales represents invoiced value of goods sold and services rendered, net of sales tax but inclusive of excise duty.

- (b) Profit / Loss on sale of investment and Fixed Assets are recognized in the year of sale.

- (c) Dividend is accounted on receipt basis.

- (d) Interest is accounted on accrual basis.

## **XIV. EMPLOYEE BENEFIT**

- (a) Short-term employee benefits:

All employee benefit falling due within twelve months of the end of the period in which the employee render the related services are classified as short term employee benefits, which include benefits like salaries, wages etc. are recognized as expenses in the period in which the employee renders the related service and measured accordingly.

- (b) Post-employment benefits:

Post employment benefit plans are classified into defined contribution plans and defined benefit plans in line with the requirements of AS-15 on "Employee Benefit".

### **Gratuity and Leave Encashment**

Gratuity and leave encashment which are defined benefits are recognized in the Profit and Loss Account based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary.

## **XV. DEFERRED REVENUE EXPENDITURE**

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

## **XVI. MISCELLANEOUS EXPENDITURE**

Miscellaneous Expenditure is written off over a five year

## Notes on Consolidated Accounts

### NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31ST MARCH 2012

#### 2. Share Capital

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
1	<b>AUTHORIZED CAPITAL</b> 1,85,00,000 Equity Shares of Rs. 10/- each. (Previous year 1,85,00,000 Equity Shares of Rs.10/- each)	185,000,000	185,000,000
		<b>185,000,000</b>	<b>185,000,000</b>
2	<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b> 139,39,000 Equity Shares of Rs. 10/- each, Fully Paid up Share capital by allotment (Previous year 139,39,000 Equity Share of Rs.10/- each, fully paid up)	139,390,000	139,390,000
	<b>Total in ₹</b>	<b>139,390,000</b>	<b>139,390,000</b>

Note:

a) **Reconciliation of Equity Share Capital (In Number)**

Shares Outstanding at the beginning of the year (Nos)	13,939,000	13,939,000
Add: Shares issued during the year (Nos)		
Less: Shares bought back during the year (Nos)		
Shares Outstanding at the end of the year (Nos)	<b>13,939,000</b>	<b>13,939,000</b>

b) The Company has only one class of Equity Shares having face value of Rs. 10/- each and each shareholder is entitled to one vote per share. Each shareholders have the right in profit/surplus in proportion to amount paid up with respect to shareholder.

c) Following Shareholders hold equity shares more than 5% of the total equity shares of the Company at the end of the period:

Name of Shareholder	No of Shares	% of Shareholding
DBG Leasing & Housing Limited	1,580,000	11.34
Alpha Stock & Finservices Pvt.Ltd.	1,178,158	8.45
Shark Packaging (India) Pvt.Ltd.	2,688,800	19.29
Raj Kumar Rath	2,689,531	19.30

d) The Company has not issued shares for a consideration other than cash or bonus during the immediately preceding 5 years.

#### 3. Reserve & Surplus

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
1	<b>Capital Reserve</b> Beginning of the year	2,000,000	2,000,000
	Additions during the year		
	Deletion during the year		
	Closing Balance	<b>2,000,000</b>	<b>2,000,000</b>
2	<b>Share Premium Account</b> Beginning of the year	30,916,000	30,916,000
	Addition		
	Closing Balance	<b>30,916,000</b>	<b>30,916,000</b>
3	<b>Revaluation Reserve</b> Beginning of the year	495,798,246	495,674,854
	Addition		123,392
	Deletion	61,696	
	Closing Balance	<b>495,796,550</b>	<b>495,798,246</b>
4	<b>Profit &amp; Loss Account</b> Beginning of the year	68,481,316	13,143,973
	Surplus as per Profit & Loss Account	72,688,802	55,337,343
	Deduction: Transferred to General Reserve		
	Closing Balance (Profit and Loss Account)	<b>141,170,118</b>	<b>68,481,316</b>
5	<b>Goodwill</b>	15,00,000	15,00,000
	<b>Total in ₹</b>	<b>668,822,668</b>	<b>995,685,562</b>

## Notes on Consolidated Accounts

### NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31ST MARCH,2012

#### 4. Long Term Borrowings

Sr. No.	Particulars	As at 31.03.2012	As at 31.03.2011
1	<b>Secured Loans</b>		
a)	Term Loan		
	- From Bank	308,189,435	321,496,056
b)	Car Loan		
	- From Bank	1,995,888	483,551
	- From Other	4,881,453	7,929,535
		<b>515,066,776</b>	<b>329,909,142</b>
	Less: Current Maturities of Long Term Borrowings		
	Term Loan		
	- From Bank	43,469,680	40,777,423
	Car Loan		
	- From Bank	808,324	272,901
	- From Other	4,008,388	6,193,641
		<b>48,286,392</b>	<b>47,243,965</b>
		<b>266,780,384</b>	<b>282,665,177</b>
2	<b>Unsecured Loans</b>		
a)	- From Bank	88,880,052	2,202,130
b)	- From Others	12,248,050	5,042,374
		<b>101,128,102</b>	<b>7,244,504</b>
	Less: Current Maturities of Long Term Borrowings		
	- From Bank	30,214,796	1,987,394
	- From Others	5,928,702	4,026,633
		<b>36,143,498</b>	<b>6,014,027</b>
		<b>64,984,604</b>	<b>1,230,477</b>
3	Loans & Advances From Related Parties	99,527,453	260,992,200
4	Others	4,600,000	3,395,671
	<b>Total in ₹</b>	<b>882,890,581</b>	<b>686,288,421</b>

#### Notes:

- The Term Loan from State Bank of Bikaner and Jaipur 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 (present and future) and personal Guarantee of one Director and his one relative.
- Balance of Term Loan-I from SBBJ is payable in 7 quarterly instalments started from April,2012 (Previous year repayable in 11 quarterly instalment from April,2011).
- Balance of Term Loan-II from SBBJ is payable in 18 quarterly instalments started from April,2012 (Previous year repayable in 2 quarterly instalment from October,2011).
- The Term Loan I & II 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 along with Rs. 2 Crores TDR and personal Guarantee of two Directors.
- Balance of Term Loan-I from SBI is payable in 20 quarterly instalments started from April,2012 (Previous year repayable in 8 quarterly instalment from April,2011).
- Balance of Term Loan-II from SBI is payable in 24 quarterly instalments started from April,2012 (Previous year repayable in 3 quarterly instalment from April,2011).
- Car Loan are secured against hypothecation of vehicles purchase thereunder. Repayment of monthly installment till the tenure of loan concerned.

#### 5. Deferred Tax Liabilities

Sr. No.	Particulars	As at 31.03.2012	As at 31.03.2011
1	Beginning of the Year	6,274,984	(849132)
	Add: Deferred Tax Liabilities	3997144	7,124,116
	<b>Total in ₹</b>	<b>10,272,128</b>	<b>6,274,984</b>

**Notes on Consolidated Accounts**  
**NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31ST MARCH 2012**

**6. Other Long Term Liabilities**

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
1	<u>Security Deposit</u> Security Deposit from Dealers	1,230,000	1,190,000
	Total in ₹	1,230,000	1,190,000

**7. Other Long Term Provisions**

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
1	<u>Provision for Gratuity &amp; Leave Encashment</u> Gratuity Payable Leave Encashment	1,925,238 389,580	1,560,209 321,950
	Total in ₹	2,314,818	1,882,159

**8. Short Term Borrowings**

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
1	<u>Loan Repayable on Demand</u> - Cash Credit - SLC	440,075,088 30,000,000	273,068,402 29,321,344
2	Current Maturities of Long Term Borrowings - Secured - Unsecured	48,286,392 36,143,438	47,243,965 6,014,027
	Total in ₹	554,504,918	356,647,778

**Notes:**

- The Working Capital limit from State Bank of Bikaner and Jaipur 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 and Building at Bhiwadi, Rajasthan and Personal guarantee of one Director and his one relative.
- The Working Capital loan (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 and Building at Chopanki, Rajasthan and additional security Rs.2 Crores as TDR and personal guarantee of two Directors.
- The Working Capital loan from Bank of Maharashtra (BOM) is secured by first pari passu charges by way of hypothecation on Company's entire current assets at the Company's factory premises at plot No.SP-293 to 296, Phase-4, Chopanki, Bhiwadi Industrial Area, Rajasthan.

**9. Trades Payable**

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
1	Raw Materials	113,964,616	117,314,976
2	Stores & Others	10,487,525	19,961,346
	Total in ₹	124,452,141	137,276,322



**Notes on Consolidated Accounts**  
**NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31ST MARCH 2012**

**10. Other Current Liabilities**

Sr. No.	Particulars	As at 31.03.2012	As at 31.03.2011
1	For Expenses	18,447,383	29,160,246
2	Advance from Customers & Others	3,314,406	17,123,325
3	Statutory Dues	14,715,377	17,557,726
	<b>Total in ₹</b>	<b>36,477,166</b>	<b>63,841,297</b>

**11. Short Term Provisions**

Sr. No.	Particulars	₹ As at 31.03.2012	₹ As at 31.03.2011
1	<b>Provision For Employees Benefit</b>		
	Gratuity Payable	114813	0
	Leave Encashment Payable	19367	0
	Bonus & Exgratia Payable	224362	213756
	Salary & Wages Payable	1662646	1771724
	Sub Total-A	<b>2021188</b>	<b>1985480</b>
2	<b>Others</b>		
	Provision for Taxation	19180774	15547694
	Sub Total-B	<b>19180774</b>	<b>15547694</b>
	<b>Total (A+B) in ₹</b>	<b>21,201,962</b>	<b>17,533,174</b>

**Notes on Consolidated Accounts**  
**NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31ST MARCH 2012**

**12. Fixed Asset**

Sl. No.	Particulars	Rate	Gross Block		Depreciation		Net Block	
			Price at the beginning	Additions during the year	Provision during the year	Value at the beginning	Value at the end	Value at the end
<b>Tangible Assets</b>								
1	Land	0.00%	552,247,500	-	-	552,247,500	552,247,500	552,247,500
2	Industrial Plot	3.34%	189,027,423	-	-	189,027,423	189,027,423	189,027,423
3	Factory Building	4.35%	383,091,001	92,079,926	-	475,170,927	381,197,672	311,545,517
4	Plant and Equipment	6.33%	6,192,132	223,432	-	6,415,564	395,262	2,410,757
5	Furnitures & Fixtures	9.50%	12,088,837	2,417,161	799,290	13,706,708	1,244,064	8,694,081
6	Vehicles (Cars)	4.75%	4,832,237	394,322	-	5,226,559	246,017	3,223,834
7	Office Equipment	16.21%	3,319,892	187,600	-	3,506,692	559,139	1,729,973
8	Computer	4.75%	33,196,448	41,095	-	33,239,543	1,577,566	27,691,429
9	Electric Installation	3.34%	256,081	-	-	256,081	82,180	182,574
10	Tobacco & Barwell	3.34%	106,772	-	-	106,772	82,457	24,315
	<b>SUB TOTAL (A)</b>		<b>3,139,407,433</b>	<b>94,304,544</b>	<b>799,290</b>	<b>3,223,411,767</b>	<b>86,773,554</b>	<b>3,136,638,213</b>
<b>Intangible Assets</b>								
1	Goodwill		5,655,314	-	-	5,655,314	-	5,655,314
2	Patent		3,429,019	-	-	3,429,019	-	3,429,019
	<b>SUB TOTAL (B)</b>		<b>9,084,333</b>	<b>-</b>	<b>-</b>	<b>9,084,333</b>	<b>-</b>	<b>9,084,333</b>
	<b>Total (A+B) [Current Year]</b>		<b>3,148,491,766</b>	<b>94,304,544</b>	<b>799,290</b>	<b>3,232,495,100</b>	<b>86,773,554</b>	<b>3,145,721,546</b>
	<b>Total (Previous Year)</b>		<b>652,119,535</b>	<b>560,348,427</b>	<b>15,416,106</b>	<b>1,227,884,068</b>	<b>20,631,238</b>	<b>1,007,252,830</b>

**Notes on Consolidated Accounts**  
**NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31ST MARCH,2012**

13. Non Current Investment		₹	₹
Sr. No.	Particulars	As at 31.03.2012	As at 31.03.2011
1	Investment In Property	2,935,261	2,794,460
2	Investment In Equity Instrument	-	-
	<u>Quoted Fully paid</u>	-	-
	Rathi Steel And Power Limited	1,245,550	1,245,550
	24911 Shares of Rs.50/- per share (Previous year 24911 shares of Rs.50/- per share)	-	-
	<u>Unquoted fully paid</u>	-	-
	Investment In Subsidiary Company	-	-
	RGTL Industries Limited (formerly Rathi Rajasthan Steel Mills Ltd.)	-	-
	6335580 Shares of Rs.25.16 per Share (Previous year 863680 shares of Rs.25.16 per share)	-	-
3	Other	-	-
	- Gold	-	-
	- Fixed Deposit with Banks-Earmarked	20,200,000	20,000,000
	- Others	2,711,950	1,203,000
	<b>Total in ₹</b>	<b>27,892,761</b>	<b>25,997,460</b>

**Notes:**

- a) Market value of quoted investment of Rs.2,45,872/- (Previous year Rs.4,22,241/-)
- b) The Company has sold 23,00,800 shares of M/s RGTL Industries Limited to M/s.Shark Packaging (I) Pvt.Ltd. @Rs.31.25 per Share

14. Long Term Loans and Advances		₹	₹
Sr. No.	Particulars	As at 31.03.2012	As at 31.03.2011
1	<u>Capital Assets</u>	-	-
	a) Secured, Considered Good :	40,469,832	12,236,567
2	<u>Security Deposit</u>	-	-
	a) Secured, Considered Good :	-	-
	- Government	8,608,182	6,544,392
	b) Unsecured, Considered Good :	-	-
	- Others	420,735	569,006
3	<u>Other Loans &amp; Advances</u>	-	-
	Loans & Advances from Related parties	15,978,954	-
	<b>Total in ₹</b>	<b>65,477,768</b>	<b>19,349,965</b>

15. Other Non Current Assets		₹	₹
Sr. No.	Particulars	As at 31.03.2012	As at 31.03.2011
1	Miscellaneous Expenditure	3,638,725	2,942,961
	<b>Total in ₹</b>	<b>3,638,725</b>	<b>2,942,961</b>

## Notes on Consolidated Accounts

### NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31ST MARCH 2012

#### 16. Inventories

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
1	Raw Material	90,410,694	91,947,978
2	Finished Goods	121,500,808	76,139,127
3	Stores & Spares	12,474,870	12,268,467
4	Furnace Oil & Coal	9,964,762	1,936,133
5	Packing Materials	3,792,872	4,448,147
6	Work in Process	12,187,341	7,213,144
7	Scrap	6,217,365	15,251,760
8	Scheme Items	1,898,372	2,363,450
	<b>Total in ₹</b>	<b>306,872,084</b>	<b>211,568,806</b>

#### 17. Trade Receivables

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
1	<u>Outstanding for more than six months</u>		
	a) Unsecured, Considered Good :	8,595,712	8,301,105
2	<u>Others</u>		
	a) Unsecured, Considered Good :	659,545,195	444,806,574
	<b>Total in ₹</b>	<b>668,140,907</b>	<b>453,107,679</b>

#### 18. Cash & Cash Equivalent

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
1	<u>Cash-in-Hand</u>		
	Cash Balance	5,572,918	1,739,657
	<b>Sub Total (A)</b>	<b>5,572,918</b>	<b>1,739,657</b>
2	<u>Bank Balance</u>		
	Balance with schedule bank	2,015,476	2,030,147
	In fixed Deposit (Lodged as Margin Money)	4,925,818	5,538,568
	<b>Sub Total (B)</b>	<b>6,941,294</b>	<b>7,568,715</b>
	<b>Total [ A + B ]</b>	<b>12,514,212</b>	<b>9,308,372</b>

#### 19. Short Terms Loans and Advances

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
1	a) Unsecured, Considered Good :		
	- Other	7,280,448	
	<b>Total in ₹</b>	<b>7,280,448</b>	

#### 20. Other Current Assets

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
1	Advance Recoverable in cash or in kind or for value to be considered good	18,997,895	18,764,206
2	Advance to Suppliers	28,769,984	13,565,504
3	Advance Income Tax/Refund Due	12,197,582	8,565,019
4	Balance With Revenue Authorities ( Indirect Taxes)	19,018,700	18,571,319
5	Prepaid Expenses	225,441	312,388
	<b>Total in ₹</b>	<b>79,209,602</b>	<b>59,778,436</b>

**Notes on Consolidated Accounts**  
**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS AS AT 31ST MARCH, 2012**

**21. Revenue from Operations**

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
1	Sales-Manufacturing	3,607,861,636	3,073,822,643
	Less: Excise Duty	280,407,415	241,090,110
		3,327,454,221	2,832,732,533
2	Sales-Trading	25,641,559	20,725,269
	<b>Total in ₹</b>	<b>3,353,095,780</b>	<b>2,853,457,802</b>

**22. Other Income**

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
1	Interest on FDR's	2,122,967	2,571,556
2	Dividend Received	7,473	7,473
3	Interest Subsidiary Received	1,179,913	7,753,956
4	Export Incentive Received	4,132,123	-
5	Miscellaneous Income	68,724	2,763,444
6	Previous Year Income	7,725	3,368,751
7	Profit on sale on investment	14,011,809	-
8	Written off	-	6,029
	<b>Total in ₹</b>	<b>21,590,729</b>	<b>16,471,290</b>

**23. Cost of Material Consumed**

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
	<b>PURCHASES OF RAW MATERIALS &amp; PACKING MATERIALS</b>		
1	Raw Materials Consumed	2,899,452,734	2,458,510,730
2	Packing Materials Consumed	4,368,916	2,321,869
	<b>Total in ₹</b>	<b>2,903,821,650</b>	<b>2,460,832,599</b>

**24. Change in Inventories**

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
1	Opening Stock of Finished Goods	76,139,127	75,340,446
	Opening Stock of Work-in-Process	7,213,144	8,915,746
	Opening Stock of Scrap	15,251,760	3,691,812
	Sub-Total (A)	<b>98,604,031</b>	<b>87,948,004</b>
2	Closing Stock of Finished Goods	121500808	76,139,127
	Closing Stock of Work-in-Process	12187341	7,213,144
	Closing stock of Scrap	6217365	15,251,760
	Sub-Total (B)	<b>139,905,514</b>	<b>98,604,031</b>
	Difference (A-B)	<b>(41,301,483)</b>	<b>(10,656,027)</b>
	Add: Increase/ (Decrease) in excise duty on stock	12,994,230	7,783,869
	<b>Total in ₹</b>	<b>(28,307,253)</b>	<b>(2,872,158)</b>

**25. Employment Benefit Expenses**

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
1	Salary & Wages and Other Benefit	20,676,527	19,402,546
2	Contribution To Provident and other Funds	1,167,976	1,117,306
3	Staff Welfare Expenses	223,901	524,780
4	Directors Remuneration	5,760,000	4,670,000
	<b>Total in ₹</b>	<b>27,828,404</b>	<b>25,714,632</b>

**Notes on Consolidated Accounts**

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS AS AT 31ST MARCH, 2012**

**26. Financial Cost**

		₹	₹
Sl. No.	Particulars	As at 31.03.2012	As at 31.03.2011
1	Interest on Cash Credit Facility	44,765,009	25,507,553
2	Interest on Term loan	44,699,167	36,404,374
3	Interest on Car loan	1,383,723	1,294,125
4	Interest on Other loans	1,742,922	2,356,708
5	Other charges	10,553,812	964,062
6	Processing Fees	3,788,403	-
Total in ₹		109,932,036	66,526,822

**27. Depreciation & Amortised Cost**

		₹	₹
Sl. No.	Particulars	As at 31.03.2012	As at 31.03.2011
1	Depreciation	30,773,454	20,621,238
2	Preliminary Expenses W/O	189,720	101,172
Total in ₹		30,963,174	20,722,410

**Notes on Consolidated Accounts**  
**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS AS AT 31ST MARCH, 2012**

**28. Other Expenses**

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
	<b>Other Manufacturing Expenses</b>		
1	Stores and Spares Consumed	14,015,639	8,763,116
2	Power & Fuel Expenses	141,398,250	133,458,862
3	Insurance	1,489,247	1,245,513
	<b>Sub Total (A)</b>	<b>156,903,136</b>	<b>143,467,491</b>
	<b>Repairs &amp; Maintenance</b>		
1	Factory Building	247,191	204,896
2	Plant & Machinery	958,067	824,760
3	Vehicles	1,051,629	1,379,093
4	Others	674,418	748,186
	<b>Sub Total (B)</b>	<b>2,931,305</b>	<b>3,156,935</b>
	<b>Administrative Expenses</b>		
1	Telephone Expenses	1,054,390	1,072,935
2	Travelling & Conveyance Expenses	7,736,279	5,674,829
3	Fees & Subscription	600,117	523,276
4	General Expenses	1,232,312	1,238,702
5	Insurance Expenses-Key Man	844,500	1,055,625
6	Legal & Professional Charges	3,535,857	1,385,302
7	Freight Outwards	2,919,606	2,448,433
8	Postage & Telegram	223,296	177,130
9	Previous Year expenses	802,424	357,207
10	ROC Expenses	12,000	3,000
11	Service Tax Paid	583,295	3,020,444
12	Printing & Stationery Expenses	548,283	754,799
13	Rent, Rates & Taxes	2,531,950	1,781,337
14	Royalty	759,714	506,478
15	Crain Hire Charges	7,663,170	10,351,901
16	Research & Development Expenses	680	1,765
17	Bank Charges	1,507,697	2,610,623
18	Donation	63,423	20,657
19	Director Sitting Fees	12,000	31,500
20	Auditors's Remuneration:		
	Audit Fees	165,000	165,000
	Tax Audit Fees	30,000	30,000
21	Interest on Self Tax Assessment Year 2011-12	1,276,989	-
22	Loss on sale of Fixed Assets	139,100	-
	<b>Sub Total (C)</b>	<b>34,242,082</b>	<b>33,190,943</b>
	<b>Selling &amp; Distribution Expenses</b>		
1	Advertisement & Pucicity Expenses	938307	822,528
2	Discount	3030450	3,710,472
3	Commission on Sales	6441779	7,822,806
4	Sales Promotions	8557404	11,174,711
5	Branch Expenses	138683	151,802
6	Calibration & Testing Charges	37050	28,964
	<b>Sub Total (D)</b>	<b>19,381,673</b>	<b>23,711,283</b>
	<b>Total in t (A+B+C+D)</b>	<b>219,218,196</b>	<b>283,526,652</b>

**OTHER NOTES ON ACCOUNTS:**

29. Contingent Liabilities not provided for:

- (a) Letter of Credit established in favour of the suppliers for import of raw materials Rs. 21313144/- (Previous Year Rs.9431230/-).
- (b) The Company has given corporate guarantee to M/s.RGTL Industries Limited for loan taken by others from bank or financial institutions.

30. 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.

**31. CAPITAL COMMITMENTS**

Estimated amount of contracts remaining to be executed on capital account is 1.81 crores (Previous year Rs.4.60 Crores).

32. 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
6.9.2011	5.9.2012	30 %
6.9.2012	5.9.2013	30 %

33. 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.

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

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

36. As per information available with management

none of the creditors fall within the SSI category.

37. The components of Deferred Tax Asset / Deferred Tax Liability in accordance with AS22 "Accounting for Taxes on Income" as on 31/3/2012 are as follows:

**Rathi Graphic Technologies Limited**

	Current Year Amount (In Rs.)	Previous Year Amount (In Rs.)
<b>A. Deferred Tax Assets/Liabilities</b>		
Depreciation as per Companies Act	7675075	85,23,080
Depreciation as per Income Tax Act	16861566	40,91,891
Net	8986551	24,31,168
Creation of Deferred Tax Liabilities (A)	2915686	(8,28,354)
Gratuity Provision	3,61,132	2,98,958
Provision for Leave Encashment	74,724	12,093
Net	4,35,858	3,12,052
Creation of Deferred Tax Assets (B)	1,41,413	1,06,067
Net Deferred Tax Liabilities (A-B)	2774273	9,32,421
Closing Balance Transfer to B/S	6327587	91,01,868

**RGTL Industries Limited**

	Current Year Amount (In Rs.)	Previous Year Amount (In Rs.)
<b>B. Deferred Tax Assets/Liabilities</b>		
Depreciation	37,28,721	4,44,07,895
Gratuity Provision	1,18,708	1,43,333
Provision for Leave Encashment	12,273	22,744
B/F Losses		
Creation of Deferred Tax Assets	44,521	69,81,257
Creation of Deferred Tax Liabilities	12,87,392	1,50,37,794
	12,22,871	90,66,537
Net Deferred Tax Liabilities	1,85,99,715	1,33,76,844

**38. Segment Information:**

The Company has disclosed business segment as the primary segment. Segment has been identified taking into account nature of products, the differing risk and return and the internal business reporting system.

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

**Primary Segment Information:**

Particulars	Toner		Developer		Trading		Iron & Steel		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
1 Segment Revenue	1982.46	1870.58	3.28	2.21	256.42	207.25	34092.87	28885.43	36335.03	30945.48
External Turnover										
Inter Segment Turnover										
Gross Turnover	1982.46	1870.58	3.28	2.21	256.42	207.25	34092.87	28885.43	36336.03	30945.48
Less: Excise duty/ Service Tax recovered	164.55	174.75	0.25	0.21			2751.44	2265.21	2918.24	2441.18
Net Turnover	1817.91	1695.83	3.03	2.00	256.42	207.25	31341.43	26599.22	33418.79	28504.30
2 Segment Result before Interest and Taxes	120.37	210.74	0.43	0.25	13.39	32.56	1758.69	1218.28	1692.88	1481.81
Less: Interest Expenses	130.79	111.14	0.22	0.13	0.00	0.00	941.93	570.45	1072.94	881.72
Add: Interest Income										
Add: Exceptional Item	138.50	0.00	0.23	0.00	0.00	0.00	0.00	0.00	138.73	0.00
Profit Before Tax	128.08	99.60	0.44	0.12	13.39	32.56	816.76	647.83	958.67	700.09
Current Tax (including deferred Tax)										
Fringe Benefit Tax	49.84	15.32	0.08	0.02	6.42	1.70	175.84	209.68	231.78	228.72
Profit After Tax	78.44	84.28	0.36	0.10	6.97	30.86	641.11	438.15	726.89	551.27
3 Other Information										
Segment Assets	3295.98	2858.84	2.82	1.50	205.19	140.76	17960.44	15033.89	21484.21	17834.59
Segment Liabilities	1327.81	1110.84	2.20	1.31	171.72	123.07	5757.72	4348.42	7289.25	5681.84
Capital Expenditure										
Depreciation	78.82	65.15	0.13	0.08	0.00	0.00	228.98	140.98	307.73	206.21
Non Cash Expenses other than depreciation	0.87	0.87	0.00	0.00	0.00	0.00	1.23	0.34	1.90	1.01



### 39. RELATED PARTY DISCLOSURES

In accordance with the Accounting Standards (AS-18) on Related Party Disclosures, where control exists and where key management personnel are able to exercise significant influence and, where transactions have taken place during the year, along with description of relationship as identified, are given below:

#### e) Relationships

##### i. Key Management Personnel

Partouters	Name of the Company
Associates	RGTL Industries Limited (Formerly Rathi Rajasthan Steel Mills Limited)
	Rathi Steel And Power Limited
	Alpha Stock & Finservices Pvt.Ltd
	Shark Packaging (India) Pvt.Ltd
	Rathi Iron And Steel Industries Limited
	DBG Leasing & Housing Pvt.Ltd
	Rathi Electrosteel Limited
	Archit Securities (P) Limited
Key Management Personnel	Sh Raj Kumar Rathi (Director)
	Sh Saurabh Rathi (Director)
Relatives of Key Management Personnel	Punam Chand Rathi HUF

Sr. no.	Name of the Party	Relationship	Nature of Transaction	Debit Transactions	Credit Transactions	Balance as at Mar. 31, 2012	Balance as at Mar. 31, 2011
1	Alpha Stock & Finservices Pvt. Ltd.	Associates	Unsecured Loans	9,00,05,000	9,00,00,000	6,07,89,350 Cr	6,07,94,350 Cr
2	Rathi Electrosteel Limited	Associates	Unsecured Loans	3,00,000	4,00,000	26,74,100 Cr	25,74,100 Cr
3	Alpha Stock & Finservices Pvt. Ltd.	Associates	Share Application Money	25,71,53,000	20,59,53,000	8,00,000 Cr	8,20,00,000 Cr
4	Shark Packaging (India) Pvt.Ltd	Associates	Unsecured Loans	14,88,10,000	7,69,00,000	94,85,750 Cr	8,13,95,750 Cr
5	Shark Packaging (India) Pvt.Ltd.	Associates	Share Application Money	14,28,78,000	9,24,28,000	9,78,000 Cr	5,12,28,000 Cr
6	Archit Securities (P) Limited	Associates	Unsecured Loans	Nil	50,86,940	50,84,180 Cr	2,760 Cr
7	DBG Leasing & Housing Pvt.Ltd.	Associates	Unsecured Loans	8,05,840	49,00,000	40,91,330 Cr	2,830 Dr
8	Raj Kumar Rathi HUF	Associates	Unsecured Loans	3,00,000	7,00,000	4,00,000 Cr	Nil
9	RGTL Industries Limited (Formerly Rathi Rajasthan Steel Mills Limited)	Subsidiary Company	Unsecured Loans	19,55,41,899	20,48,37,273	92,95,374 Cr	Nil
10	Rathi Iron And Steel Industries Limited	Associates	Unsecured Loans	3,89,51,527	3,33,08,515	50,13,191 Dr	6,29,821 Cr
11	Rathi Steel And Power Limited	Associates	Unsecured Loans	93,16,292	1,21,83,482	27,59,000 Cr	88,200 Dr
12	Punam Chand Rathi	Relative to Director	Rent	1,68,590	2,38,773	90,1388 Dr	9,71,571 Dr
13	Rathi Steel And Power Limited	Associates	Sales & Purchases	67,47,51,846	67,08,17,368	15,00,000 Cr	54,34,477 Cr
14	Rathi Graphic Technologies Limited	Holding Company	Advances	20,47,87,273	19,54,41,899	93,45,374 Dr	0.00
15	Sh. Saurabh Rathi	Director	Remuneration	21,31,001	21,64,000	1,39,999 Cr	1,07,000 Cr
16	Sh. Raj Kumar Rathi	Director	Remuneration	25,29,000	25,67,000	2,13,000 Cr	1,75,000 Cr
			Advance	60,05,210	59,60,000	90,960 Dr	45,750 Dr

40. 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.

41. 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.

#### 42 EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

Earning per Equity Shares	Current Year			Previous Year		
	No. of Shares	Net Profit after Tax	EPS	No. of Shares	Net Profit after Tax	EPS
Basic	13939000	7288802	5.21	13939000	55337343	3.97
Diluted	13939000	7288802	5.21	13939000	55337343	3.97

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

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

**(Raj Kumar Rathi)**  
Managing Director

**(Sandesh Jain)**  
Director

Place: New Delhi  
Date: 3rd September, 2012  
**(S. Biswas)**  
Chief Financial Officer

## Consolidated Cash Flow Statement for the year ended 31st March, 2012

Particulars	As at 31.03.2012 ₹	As at 31.03.2011 ₹
<b>Cash Flow from Operating Activities</b>		
<b>Net Profit before taxation, and extraordinary items</b>	95856720	78008053
Adjustment for:		
Depreciation	30773454	20621239
Interest Income	(2122962)	(2571556)
Dividend Income	(7473)	(7473)
Interest Subsidy	(1179913)	(7753946)
Interest Paid	106933036	69137445
Other misc. Income	(58724)	(1006454)
Export Incentive Received	(4132123)	(1763020)
Previous Year Income	(7725)	(3368751)
Profit on sales of Investment	(14011809)	
Loss on sale OF Fixed Assets	139100	
Misc Expenses Written off	189720	101172
<b>Operating Profit before working Capital changes</b>	<b>212371391</b>	<b>151397899</b>
(Increase)/Decrease In Trade Receivables	(215033228)	(278999516)
(Increase)/Decrease In Inventories	(46878778)	(48682290)
(Increase)/Decrease in Trade Payables	12824181	41700417
<b>Cash generated from Operations</b>	<b>(36716529)</b>	<b>(132683890)</b>
Income Tax Paid	19180774	15547584
<b>Cash Flow before extraordinary item</b>	<b>(55897299)</b>	<b>(148131284)</b>
Extraordinary Items (specifying nature)	0	0
<b>Net Cash from Operating Activities - A</b>	<b>(55897299)</b>	<b>(148131284)</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Tangible Fixed Assets	(96874333)	(116314510)
Purchase of Intangible Fixed Assets	0	0
Purchase of Long Term Investment	(1849751)	(3827050)
Sales of Tangible Fixed Assets	332000	0
Sales of Long Term Investments	91700000	0
Interest Received	2122962	2571556
Dividend Received	7473	7473
Interest Subsidy	1179913	7753956
Export Incentive Received	4132123	1763019
Profit on sales of Investment	14011809	
Previous Year Income	7725	3368751
Other misc. Income	68724	1006454
<b>Net Cash from Investing Activities - B</b>	<b>4839646</b>	<b>(106479361)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from Issuance of Share Capital (Including Share Premium)	(98349244)	262796471
Proceeds from Long term Borrowings	75364877	3606316
Re-payment of Long Term Borrowings	175161897	59186
Proceeds from Short term Borrowings	(106933036)	(66526823)
Interest Paid	0	52730825
Reserve & Surplus	0	0
<b>Net Cash used in Financing Activities - C</b>	<b>44264884</b>	<b>262739674</b>
<b>Net increase in cash and Cash Equivalents (A+B+C)</b>	<b>3205840</b>	<b>(671571)</b>
<b>Cash and Cash Equivalents at beginning of period (See Note 1)</b>	<b>8388372</b>	<b>10179943</b>
<b>Cash and Cash Equivalents at end of period (See Note 1)</b>	<b>12514212</b>	<b>8308372</b>
<i>The accompanying notes 1 to 42 form an integral part of these financial statement</i>		
For A. K. Maheshwari & Associates Chartered Accountants		
CA A. K. Maheshwari PROPRIETOR Membership No. : 073875 Firm Reg. No. : 500106M	(A) Kumar Rathi Managing Director	Sandeep Jain Director
		S. Biswas Chief Financial Officer
Place: New Delhi Date: 3rd September, 2012		

## AUDITOR'S REPORT

The Members of  
RGTL Industries Limited  
(Formerly Rathi Rajasthan Steel Mills Limited)

1. We have audited the attached Balance Sheet of M/S RGTL Industries Limited as at 31st March, 2012, 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March, 31, 2012 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 2012; 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: 13.06.2012

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE ON THE ACCOUNT OF M/S. RGTL Industries Limited (formerly Rathi Rajasthan Steel Mills Limited) FOR THE YEAR ENDED ON 31ST MARCH, 2012

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 two 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.1689.78 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. As informed to us, the Central Government has prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the manufacturing activities of the Company. We have broadly reviewed accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounting records have been made and maintained. We have not, however, carried out detailed examination of the same.
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, 2012 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 3700000 fully paid up

shares to M/s.Alpha Stock & Finservices Pvt. Limited and M/s.Shark Packing India Private Limited at a price of Rs.60/- per share inclusive of premium of Rs.50 per share amounting to Rs.22,20,00,000/- 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: 13.06.2012

## RGTL Industries Limited

(Formerly Rathi Rajasthan Steel Mills Limited)

### Balance Sheet as at 31st March 2012

Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
<b>I. EQUITY AND LIABILITIES</b>		₹	₹
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	123,383,800	86,363,600
(b) Reserves and Surplus	2	858,112,550	809,001,458
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	309,823,362	397,504,839
(b) Deferred Tax Liabilities (Net)		16,599,715	15,376,844
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	4	473,496,449	285,356,954
(b) Trade Payables	5	80,029,058	108,613,720
(c) Other Current Liabilities	6	11,707,133	25,701,836
(d) Short-Term Provisions	7	27,878,629	27,878,405
<b>Total Equity &amp; Liabilities</b>		<b>1,801,812,096</b>	<b>1,585,796,869</b>
<b>II. ASSETS</b>		₹	₹
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Gross Block	8	1,033,149,358	975,960,288
(ii) Depreciation		51,983,306	29,064,866
(iii) Net Block		981,166,052	946,895,420
(b) Non-current investments	9	22,911,950	21,203,000
(c) Long term loans and advances	10	58,201,785	5,437,725
(d) Other non-current assets	11	3,614,261	2,651,394
<b>(2) Current Assets</b>			
(a) Current investments	12	1,800,000	
(b) Inventories	13	175,971,618	142,251,963
(c) Trade receivables	14	584,688,766	385,962,451
(d) Cash and cash equivalents	15	3,150,982	1,947,534
(e) Short-term loans and advances	16	69,489,242	49,250,369
<b>Total Assets</b>		<b>1,801,812,096</b>	<b>1,585,796,869</b>
Notes of Accounts	25		
See accompanying notes to the financial statement			
<b>For Ramesh Gupta &amp; Co.</b>			
Chartered Accountants			
FRN-001605N			
CA Manoj Gupta Proprietor M.No. 87361	Saurabh Rathi Managing Director	Raj Kumar Rathi Director	Sandesh Jain Director
Place: New Delhi			
Date: 13.06.2012			

# RGTL Industries Limited

(Formerly Rathi Rajasthan Steel Mills Limited)

## Profit and Loss statement for the year ended 31st March, 2012

Sr. No.	Particulars	Sl. No.	As at 31.03.2012	As at 31.03.2011
I	Revenue from operations	17	3,409,287,092	2,886,542,521
	Less: Excise Duty		275,144,252	228,621,096
II	Other Income	18	3,134,142,840	2,659,921,425
			7,128,222	18,104,208
	<b>NI. Total Revenue (I + II)</b>		<b>3,141,275,892</b>	<b>2,674,624,635</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	19	2,948,085,636	2,525,398,021
	Changes in Inventories of finished goods, Miss Roll and End Cutting	20	(29,920,694)	(6,941,344)
	Employee Benefit Expense	21	4,140,948	2,863,964
	Financial Costs	22	94,193,339	57,044,877
	Depreciation and Amortization Expense	23	23,021,035	14,132,227
	Other Administrative & Selling Expenses	24	20,086,428	18,728,800
	<b>Total Expenses (IV)</b>		<b>3,058,995,695</b>	<b>2,611,244,665</b>
V	Profit before exceptional and extraordinary items and tax	(III - IV)	<b>82,279,997</b>	<b>64,789,369</b>
VI	Exceptional Items			
VII	Profit before extraordinary items and tax (V - VI)		<b>82,279,997</b>	<b>64,789,369</b>
VIII	Extraordinary Items			
IX	Profit before tax (VII - VIII)		<b>82,279,997</b>	<b>64,789,369</b>
X	<b>Tax expense:</b>			
	(1) Current Tax		16,341,403	12,911,171
	(2) Deferred Tax Assets/(Liabilities)		1,222,871	8,066,537
XI	Profit/(Loss) from the period from continuing operations	(IX-X)	<b>64,715,823</b>	<b>43,811,661</b>
XII	Profit/(Loss) from discontinuing operations			
XIII	Tax expense of discontinuing operations			
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)			
XV	Profit/(Loss) for the period (XI + XIV)		<b>64,715,823</b>	<b>43,811,661</b>
XVI	Earning per equity share:			
	(1) Basic		5.20	5.07
	(2) Diluted		5.20	5.07
See accompanying notes to the financial statement				
<p><b>For Ramesh Gupta &amp; Co.</b> Chartered Accountants FRN-001605N</p>				
<p>CA Manoj Gupta Proprietor M.No. 87361</p>		<p>Saurabh Rathi Managing Director</p>	<p>Raj Kumar Rathi Director</p>	<p>Sandesh Jain Director</p>
<p>Place: New Delhi Date: 13.06.2012</p>				

## RGTL Industries Limited

(Formerly Rathi Rajasthan Steel Mills Limited)

### Notes Forming Integral Part of the Balance Sheet as at 31st March, 2012

#### 1. Share Capital

Sr. No	Particulars	₹	
		As at 31.03.2012	As at 31.03.2011
1	<b>AUTHORIZED CAPITAL</b> 2,50,00,000 Equity Shares of Rs. 10/- each. (Previous year 1,00,00,000 Equity Shares of Rs.10/- each)	250,000,000	100,000,000
		<b>250,000,000</b>	<b>100,000,000</b>
2	<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>  12336380 Equity Shares of Rs. 10/- each, Fully Paid up Share capital by allotment (Previous year 8636380 Equity Share of Rs.10/- each, fully paid up)	123,363,800	86,363,800
<b>Total in ₹</b>		<b>123,363,800</b>	<b>86,363,800</b>

#### Notes:

- The Company has issued shares during the year i.e 25,00,000 shares to M/s.Alpha Stock & Finservices Pvt. Ltd. and 12,00,000 shares to M/s. Shark Packaging (India) Pvt. Limited at a price of Rs.60/- per share inclusive of premium of Rs.50/- per share amounting to Rs. 22,20,00,000/- in accordance with the provisions of the Companies Act, 1956.
- The Holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.
- Following Shareholders hold equity shares more than 5% of the total equity shares of the Company at the end of the period:

Name of Shareholder	No of Shares	% of Shareholding
Rathi Graphic Technologies Limited	6,335,574	51.36
Shark Packaging (India) Pvt.Ltd	3,500,800	28.38
Alpha Stock & Finservices Pvt.Ltd.	2,500,000	20.26

- The Company has not issued shares for a consideration other than cash or bonus during the immediately preceding 5 years.

#### 2. Reserve & Surplus

Sr. No	Particulars	₹	
		As at 31.03.2012	As at 31.03.2011
1	Premium Reserve	314,455,200	129,455,200
2	Revaluation Reserve	425,176,809	425,176,809
3	Balance brought forward from Previous Year Add: Profit for the period	54,369,449	10,556,188
		<b>64,111,092</b>	<b>43,813,261</b>
<b>Total in ₹</b>		<b>803,712,508</b>	<b>608,801,458</b>

#### 3. Long Term Borrowings

Sr. No	Particulars	₹	
		As at 31.03.2012	As at 31.03.2011
1	<b>Term Loan</b> - From Bank - From Other Parties	240,796,273	275,755,705
		7,083,773	5,521,134
2	Loans & Advances From Related Parties	3,278,000	116,228,000
3	Other Loans & Advances	58,665,316	
<b>Total in ₹</b>		<b>309,823,362</b>	<b>397,504,839</b>

#### Notes:

- 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 along with Rs. 2 Crores TDR and personal Guarantee of two Directors.
- There has been no default on the Balance Sheet date in repayment of loan and interest.



**RGTL Industries Limited**

(Formerly Rathi Rajasthan Steel Mills Limited)

**Notes Forming Integral Part of the Balance Sheet as at 31st March, 2012****4. Short Term Borrowings**

Sr. No.	Particulars	As at 31.03.2012	As at 31.03.2011
1	<b>Loan Receivable on Demand</b>		
	- From SBI-CC Limit	188,814,878	213,006,864
	- From SBI-SLC Limit	30,000,000	21,140,993
	- From BOM-CC Limit	185,558,634	-
2	Loans & Advances From Related Parties	-	1,208,731
3	Deposits	3,124,937	17,002,366
4	Others (Instalment due within one year)	66,000,000	33,000,000
	<b>Total in ₹</b>	<b>473,498,449</b>	<b>285,358,954</b>

**Notes:**

- The Working Capital loan (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 and Building at Chopanki, Rajasthan and additional security Rs.2 Crores as TDR and personal guarantee of two Directors.
- The Working Capital loan from Bank of Maharashtra (BOM) is secured by first pari passu charges by way of hypothecation on Company's entire current assets at the Company's factory premises at plot No.SP-293 to 296, Phase-4, Chopanki, Bhiwadi Industrial Area, Rajasthan.
- There has been no default on the Balance Sheet date in repayment of interest.

**5. Trades Payable**

Sr. No.	Particulars	As at 31.03.2012	As at 31.03.2011
1	Sundry Creditors- Raw Materials	72686390	90,697,721
2	Sundry Creditors- Stores & Others	7342668	17,915,999
	<b>Total in ₹</b>	<b>80,029,058</b>	<b>108,613,720</b>

**6. Other Current Liabilities**

Sr. No.	Particulars	As at 31.03.2012	As at 31.03.2011
1	For Expenses	11707133	25,701,836
	<b>Total in ₹</b>	<b>11,707,133</b>	<b>25,701,836</b>

**RGTL Industries Limited**

(Formerly Rathi Rajasthan Steel Mills Limited)

**Notes Forming Integral Part of the Balance Sheet as at 31st March, 2012**

**7. Short Term Provisions**

		₹	₹
Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
1	<b>Provision For Employees Benefit</b>		
	Gratuity Payable	467,165	346,455
	Leave Encashment Payable	102,546	90,273
	ESI Payable	27139	30,081
	PF Payable	60675	66,509
	Salary & Wages Payable	539987	737,412
2	<b>Others</b>		
	Audit Fees Payable	160173	182,125
	Director Remuneration payable	139999	107,000
	Expenses Payable	1068424	400,131
	C.S.T.2 % (Hyn))	0	242124
	C.S.T-5% ( Bhiwadi)	0	173170
	CST @2%	0	1929014
	VAT@ 5%(Delhi)	2795802	3792827
	VAT@4% (Ghaziabad)	5591	1303906
	VAT@5%( Bhiwadi)	0	5078681
	VAT@5%(Haryana)	5690425	27839
	TDS Payable ( Commission)	231175	92063
	TDS Payable ( Contractor)	31146	324561
	TDS Payable ( Rent)	1760	20497
	TDS Payable (Interest)	152	569
	TDS Payable (Professional)	128927	19997
	TDS Payable (Salary)	80400	
	TCS Payable	4740	
	Provision for Taxation	16,341,403	12,911,171
	<b>Total In ₹</b>	<b>27,570,465</b>	<b>27,570,465</b>

**RGTL Industries Limited**  
 (Formerly Rathi Rajasthan Steel Mills Limited)  
**Notes Forming Integral Part of the Balance Sheet as at 31st March, 2012**

Sl. No.	Particulars	Type	Gross Book Value			Depreciation			Net Book Value	
			Value at the beginning of the year	Additions during the year	Value at the end of the year	Amount during the year	Value at the end of the year	Value at the beginning of the year	Value at the end of the year	
<b>8. Fixed Asset</b>										
<b>Tangible Assets</b>										
I	Land	0.00%	480,847,500	-	480,847,500	-	-	-	480,847,500	480,847,500
2	Industrial Pkt	3.34%	150,780,149	-	150,780,149	5,036,391	6,242,465	142,547,684	147,584,075	147,584,075
3	Building	4.75%	310,062,383	-	300,997,129	15,935,038	38,848,948	322,350,481	288,151,563	288,151,563
4	Plant and Equipment	8.33%	1,126,313	50,134,736	1,331,327	74,884	156,776	1,174,551	1,048,421	1,048,421
5	Furniture & Fixtures	9.50%	188,799	203,014	1,311,465	80,496	97,111	1,404,063	803,150	173,064
6	Vehicle (Car)	4.75%	838,383	242,308	681,692	34,175	78,542	1,331,855	1,487,208	1,487,208
7	Office Equipment	18.21%	1,985,436	187,600	2,173,036	342,853	841,181	25,356,163	26,745,214	26,745,214
8	Computer	4.75%	29,243,180	-	29,243,180	1,389,081	3,887,017	126,573	131,254	131,254
9	Electric Installation	4.75%	140,140	-	140,140	4,681	13,587	-	-	-
	Tubewell & Borewell	3.34%	-	-	-	4,681	-	-	-	-
	<b>SUB TOTAL (A)</b>		<b>3,011,336</b>	<b>25,763,734</b>	<b>1,827,688,227</b>	<b>2,027,356,327</b>	<b>51,253,356</b>	<b>771,249,273</b>	<b>1,557,893,354</b>	<b>1,557,893,354</b>
II	Capital Work-in-progress Building Under Construction		134,085	6,109,948	5,244,031	-	-	5,244,031	134,085	134,085
	<b>SUB TOTAL (B)</b>		<b>134,085</b>	<b>6,109,948</b>	<b>5,244,031</b>	<b>-</b>	<b>-</b>	<b>5,244,031</b>	<b>134,085</b>	<b>134,085</b>
	<b>Total (A + B) (Current Year)</b>		<b>3,145,421</b>	<b>31,873,682</b>	<b>1,832,932,258</b>	<b>2,027,356,327</b>	<b>51,253,356</b>	<b>776,493,304</b>	<b>1,571,887,439</b>	<b>1,571,887,439</b>
	<b>Total (A + B) (Previous Year)</b>		<b>443,244,878</b>	<b>852,143,356</b>	<b>19,745,104</b>	<b>14,888,819</b>	<b>14,888,819</b>	<b>21,054,969</b>	<b>840,296,250</b>	<b>439,281,339</b>

**RGTL Industries Limited**

(Formerly Rathi Rajasthan Steel Mills Limited)

**Notes Forming Integral Part of the Balance Sheet as at 31st March, 2012****9. Non Current Investment**

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
1	Other - Fixed Deposit with Banks-Earmarked - Others	20,200,000 2,711,950	20,000,000 1,203,000
	Total in ₹	22,911,950	21,203,000

**10. Long Term Loans and Advances**

Sr. No	Particulars	₹ As at 31.03.2012	₹ As at 31.03.2011
I)	<u>Capital Assets</u> a) <u>Unsecured, Considered Good</u> :	34,870,021	-
II)	<u>Security Deposit</u> a) <u>Unsecured, Considered Good</u> :	7,352,810	5,437,725
III)	<u>Loans &amp; Advances to related parties</u>	15,978,954	-
	Total in ₹	58,201,785	5,437,725

**11. Other Non Current Assets**

Sr. No	Particulars	₹ As at 31.03.2012	₹ As at 31.03.2011
1	Others	3,614,281	2,851,394
	Total in ₹	3,614,281	2,851,394

**12. Current Investment**

Sr. No	Particulars	₹ As at 31.03.2012	₹ As at 31.03.2011
1	In Short term Fixed Deposits	1,800,000	-
	Total in ₹	1,800,000	-

**13. Inventories**

Sr. No	Particulars	₹ As at 31.03.2012	₹ As at 31.03.2011
1	Raw Material	60,543,995	65,870,571
2	Furnace Oil	1,378,512	1,862,683
3	Finished Goods	95,901,249	65,980,555
4	Stores & Spares	9,609,709	8,538,154
5	Coal	8,538,154	-
	Total in ₹	176,971,619	142,251,963

## RGTL Industries Limited

(Formerly Rathi Rajasthan Steel Mills Limited)

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2012

### 14. Trade Receivables

Sr. No	Particulars	₹	
		As at 31.03.2012	As at 31.03.2011
1	<b>Outstanding for more than six months</b>		
	a) Secured, Considered Good :	4,896,051	7,234,560
	b) Unsecured, Considered Good :		
	c) Doubtful		
2	<b>Others</b>		
	a) Secured, Considered Good :	579,790,735	378,727,891
	b) Unsecured, Considered Good :		
	c) Doubtful		
	<b>Total In ₹</b>	<b>584,686,786</b>	<b>385,962,451</b>

### 15. Cash & Cash Equivalent

Sr. No	Particulars	₹	
		As at 31.03.2012	As at 31.03.2011
1	<b>Cash-in-Hand</b>		
	Cash Balance	1,678,403	704,022
	Petty Cash Balance		
	<b>Sub Total (A)</b>	<b>1,678,403</b>	<b>704,022</b>
2	<b>Bank Balance</b>		
	With Schedule Bank	1,472,579	1,243,512
	<b>Sub Total (B)</b>	<b>1,472,579</b>	<b>1,243,512</b>
	<b>Total [ A + B ]</b>	<b>3,150,982</b>	<b>1,947,534</b>

### 16. Short Terms Loans and Advances

Sr. No	Particulars	₹	
		As at 31.03.2012	As at 31.03.2011
1	a) Unsecured, Considered Good :	6,375,000	
2	<b>Others</b>		
	Advance Recoverable in cash or in kind or for value to be considered good	15,739,974	13,463,098
	Advance to Suppliers	27,100,815	12,809,081
	Advance Income Tax/Refund Due	11,773,337	8,190,207
	Balance With Revenue Authorities ( Indirect Taxes)	8,467,165	14,748,386
	Prepaid Expenses	32,951	39,617
	<b>Total In ₹</b>	<b>69,486,242</b>	<b>49,290,389</b>

## RGTL Industries Limited

(Formerly Rathi Rajasthan Steel Mills Limited)

### Notes Forming Part of Statement of Profit and Loss as at 31st March, 2012

17. Revenue from Operations		₹	₹
Sr. No.	Particulars	As at 31.03.2012	As at 31.03.2011
1	Gross Sales (inclusive of Excise duty)	3,409,287,092	2,886,542,521
	<b>Total in ₹</b>	<b>3,409,287,092</b>	<b>2,886,542,521</b>

18. Other Income		₹	₹
Sr. No.	Particulars	As at 31.03.2012	As at 31.03.2011
1	Interest on FDR's	1,801,433	2,230,750
2	Interest subsidy received	1,179,913	7,753,956
3	Miscellaneous Income	7,028	958,825
4	Export Incentive Received	4,132,123	-
5	Previous Year Income	7,725	3,368,751
6	Other Received	-	1,791,926
	<b>Total in ₹</b>	<b>7,128,222</b>	<b>16,104,208</b>

19. Cost of Material Consumed		₹	₹
Sr. No.	Particulars	As at 31.03.2012	As at 31.03.2011
a)	<b>PURCHASES OF RAW MATERIALS AND STORES</b>		
1	Raw Materials Consumed	2,792,830,147	2,378,571,991
2	Furnace Oil Consumed	35,556,254	83,449,010
3	Coal Consumed	44,779,437	-
4	Stores & Consumables	11,265,529	6,988,970
	<b>Sub-total (a)</b>	<b>2,884,431,367</b>	<b>2,469,009,971</b>
b)	<b>DIRECT/PRODUCTIONS EXPENSES</b>		
1	Processing Labour Charges	7,082,044	6,489,860
2	Power Charges	47,454,731	38,783,233
3	Crain Hair Charges	7,663,170	10,351,901
4	Repair & Maintenance-Building	190,968	65,000
5	Repair & Maintenance-Plant & Machinery	466,594	182,614
6	Royalty	759,714	506,478
7	Calibration & Testing Charges	37,050	28,964
	<b>Sub-total (b)</b>	<b>60,654,271</b>	<b>56,307,050</b>
	<b>Total in ₹</b>	<b>2,945,085,638</b>	<b>2,525,317,021</b>

20. Change in Inventories		₹	₹
Sr. No.	Particulars	As at 31.03.2012	As at 31.03.2011
1	Opening Stock of Finished Goods	50,925,795	55,544,399
	Opening Stock of Miss Roll	10,876,740	3,027,076
	Opening Stock of End Cutting	4,178,020	487,736
	<b>Sub-total (a)</b>	<b>65,980,555</b>	<b>60,039,211</b>
2	Closing Stock of Finished Goods	89,880,884	50,925,795
	Closing Stock of Miss Roll	3,185,505	10,876,740
	Closing Stock of End Cutting	2,834,860	4,178,020
	<b>Sub-total (b)</b>	<b>95,901,249</b>	<b>65,980,555</b>
	<b>Total in ₹</b>	<b>(29,920,694)</b>	<b>(6,941,344)</b>

## RGTL Industries Limited

(Formerly Rathi Rajasthan Steel Mills Limited)

### Notes Forming Part of Statement of Profit and Loss as at 31st March, 2012

#### 21. Employment Benefit Expenses

Sr. No.	Particulars	As at 31.03.2012	As at 31.03.2011
1	Salaries, Bonus, PF & ESIC	1,260,948	1,093,864
2	Directors Remuneration	2,880,000	1,790,000
	<b>Total in ₹</b>	<b>4,140,948</b>	<b>2,883,864</b>

#### 22. Financial Cost

Sr. No.	Particulars	As at 31.03.2012	As at 31.03.2011
1	Interest on Cash Credit Facility	36,475,632	18,705,804
2	Interest on Term loan	43,205,422	35,345,267
3	Interest on Car loan	41,772	-
4	Interest on Other loans	1,096,798	1,159,949
5	Bank Charges	360,880	1,645,069
6	Other charges	9,943,732	188,888
7	Processing Fees	3,069,106	-
	<b>Total in ₹</b>	<b>94,493,338</b>	<b>57,844,917</b>

#### 23. Depreciation & Amortised Cost

Sr. No.	Particulars	As at 31.03.2012	As at 31.03.2011
1	Depreciation	22,898,438	14,098,178
2	Preliminary Expenses W/D	122,597	34,049
	<b>Total in ₹</b>	<b>23,021,035</b>	<b>14,132,227</b>

#### 24. Other Administrative & Selling Expenses

Sr. No.	Particulars	As at 31.03.2012	As at 31.03.2011
1	Telephone Expenses	290,385	268,802
2	Repair & Maintenance -Vehicles	161,851	438,455
3	Travelling & Conveyance Expenses (including Directors)	3,760,990	2,015,538
4	Repair & Maintenance -Others	164,671	290,473
5	Fees & Subscription	271,711	209,499
6	Fees & Subscription	295,901	569,245
7	General Expenses	1,016,802	851,625
8	Insurance Expenses	2,283,093	875,555
9	Legal & Professional Charges	308,757	1,351,666
10	Freight Outwards	81,967	80,975
11	Postage & Telegram	97,681	43,000
12	Previous Year expenses	10,500	-
13	ROC Expenses	207,739	154,240
14	Printing & Stationery Expenses	75,000	75,000
15	Auditors Remuneration	1,418,505	141,895
16	Rent Rates & Taxes	453,956	238,844
17	Rebate & Discounts	817,631	365,107
18	Sales Promotion Expenses	1,276,989	-
19	Income Tax Self assessment Year 2011-12 (Interest)	564,518	3,005,478
20	Sales Tax/ Excise/ Service Tax Expenses	6,343,988	7,592,401
21	Commission on sales	56,100	6,200
22	Donation	136,683	151,802
23	Branch Expenses (including godwon rent)	20,592,424	16,725,500
	<b>Total in ₹</b>	<b>29,592,424</b>	<b>16,725,500</b>

**NOTES-25**

**RGTL Industries Limited**  
(formerly Rathl Rajasthan Steel Mills Limited)

**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**

**SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS**

The accounts of the Company have been prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India (GAAP) and comply with the mandatory accounting standards notified under the Companies (Accounting Standards) Rules, 2006, as amended, and with the relevant provisions of the Companies Act, 1956. The financial statements are presented in Indian rupees rounded off to nearest decimal.

During the year ended March 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company for presentation of its financial statements. The revised Schedule VI has a significant impact on the presentation and disclosures made in the financial statements. The Company has also reclassified the provisions year figures in accordance with the requirements applicable in the current year.

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised schedule VI of the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and Liabilities.

**B. TANGIBLE FIXED ASSETS AND DEPRECIATION**

- (i) Tangible Fixed Assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation / amortization / impairment. The cost of fixed assets includes effect of exchange difference on long term foreign currency borrowings, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowings cost directly attributable to fixed assets which necessarily take a substantial period of time to

get ready for their intended use are capitalized. Interest on loans and other financial charges in respect of qualifying assets and expenditure incurred on start up and commissioning of the project and or substantial expansion, including the expenditure incurred on Trial Runs up to the date of commencement of commercial production are capitalized.

- (ii) Depreciation is provided on Straight Line Method at rates mentioned and in the manner specified in Schedule XIV to the Companies Act, 1956, as amended by Notification No.GSR 756 (E) dated 15th December, 1993 of the Ministry of Law, Justice & Company Law Affairs, Department of Company Affairs.

**C. INVESTMENTS**

Long term investments are stated at cost.

**D. VALUATION OF INVENTORIES**

Inventories are valued at lower of cost or net realizable value except scrap, which is valued at net estimated realizable value. The methods of determining cost of various categories of inventories are as follows:

Raw Materials including fuel and coal	FIFO Methods
Consumables Stores and Spares	FIFO Methods
Finished Goods and Work-in-Process	Variable Cost at Weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.

Cost includes all direct cost, cost of conversion and appropriate portion of variable and fixed production overheads and such other costs incurred as to bring the inventory to its present location and condition inclusive excise duty, wherever applicable. Cost formula used is based upon weighted average cost.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**E. SALES**

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

**F. BORROWING COSTS**

Borrowing costs attributable to acquisition,



construction of qualifying assets are capitalized as part of cost of the relevant assets upto the date the asset is put to use. All other borrowing costs are recognized as an expenses in the year in which they are incurred.

#### G. 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 assets no longer exists or has decreased.

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

#### H. REVENUE RECOGNITION

Sales are recognized on dispatch of goods to customers.

#### I. EMPLOYEE BENEFIT

##### i. Short-term employee benefits:

All employee benefit falling due within twelve months of the end of the period in which the employee render the related services are classified as short term employee benefits, which include benefits like salaries, wages etc. are recognized as expenses in the period in which the employee renders the related service and measured accordingly.

##### ii. Post-employment benefits:

Post employment benefit plans are classified into defined contribution plans and defined benefit plans in line with the requirements of AS-15 on "Employee Benefit".

#### Gratuity and Leave Encashment

Gratuity and leave encashment which are defined benefits are recognized in the Profit and Loss Account based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary.

#### J. PROVISION FOR CURRENT AND DEFERRED TAX

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

Deferred Tax Assets / Liabilities 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. The components of Deferred Tax Assets/Liabilities in accordance with the AS-22 "Accounting for taxes on Income" as on 31.03.2012 are as follows:

Particulars	Amount in Rupees
Depreciation	3728721
Creation of Deferred Tax Liabilities (A)	1267382
Provision for Gratuity	118709
Provision for Leave Encashment	12273
Creation of Deferred Tax Assets (B)	44521
Deferred Tax Liabilities (A-B) 1222871	1222871

#### K. RELATED PARTY DISCLOSURES

In accordance with the Accounting Standards (AS-18) on Related Party Disclosures, where control exists and where key management personnel are able to exercise significant influence and , where transactions have taken place during the year, along with description of relationship as identified, are given below:

##### a) Relationships

##### i. Key Management Personnel

Name	Designation
Sh.Saurabh Rathi	Managing Director
Sh.Raj Kumar Rathi	Director

##### ii. Associates Companies

Rathi Graphic Technologies Limited  
Rathi Steel And Power Limited  
Alpha Stock & Finservices Pvt.Ltd.  
Shark Packaging (India) Pvt.Ltd.  
Rathi Iron And Steel Industries Limited

b) The following transactions were carried out with the related parties in the ordinary course of business:

Nature of Transactions	Management relationship	Associates Companies
Director's Remuneration	2880000.00	0.00
Sales & Purchases	0.00	676251846.00
Share Application Money	0.00	298381000.00
Unsecured Loans & Advances	0.00	235747840.00

#### L. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be

executed on capital account of Rs.1.81 crores approx. (Previous year Rs.3.49 Crores).

**M. CONTINGENT LIABILITIES**

Contingent Liabilities not provided for:

- i) Letter of Credit established in favour of the suppliers for raw materials Rs. 1,02,36,020/- (Previous year Rs. Nil).

**N. EARNINGS PER SHARE**

The basic earnings per share is calculated by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

Earning per Equity Shares	Current Year			Previous Year		
	1	No. of Shares	Net Profit after Tax	EPS	No of Shares	Net Profit after Tax
Basic	12336300	84111092	5.20	8636300	43613260	5.07
Diluted	12336300	84111092	5.20	8636300	43613260	5.07

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

(Manoj Gupta)  
 Proprietor  
 M.No.87361

(Saurabh Rathj)  
 Managing Director

Raj Kumar Rathj)  
 Director

Place : New Delhi  
 Date : 13.06.2012

(Sandesh Jain)  
 Director

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

**Cash Flow Statement for the year ended 31st March, 2012**

Particulars	As at 31.03.2012	As at 31.03.2011
<b>Cash Flow from Operating Activities</b>		
Net Profit before taxation, and extraordinary items	81,675,367	64,780,968
Adjustment for:		
Depreciation	22,898,438	14,098,178
Foreign Exchange Loss		
Interest Income	(1,801,433)	(2,230,750)
Dividend Income		
Interest Paid	94,193,339	57,044,977
Other misc. Income	(5,326,789)	(13,873,458)
Misc Expenses Written off	122,587	34,049
<b>Operating Profit before working Capital changes</b>	<b>181,781,528</b>	<b>119,833,964</b>
(Increase)/Decrease in Trade Receivables	(196,724,335)	(255,186,005)
(Increase)/Decrease in Inventories	(33,719,656)	(46,052,395)
(Increase)/Decrease in Loans & Advances	(22,038,873)	3,549,132
(Increase)/Decrease in Trade Payables	28,584,662	
(Increase)/Decrease in Provisions	3,430,009	
(Increase)/Decrease in Other Current Liabilities	(8,716,409)	26,104,584
<b>Cash generated from Operations</b>	<b>(39,423,662)</b>	<b>(151,736,729)</b>
Income Tax Paid	18,341,403	12,911,171
<b>Cash Flow before extraordinary item</b>	<b>(55,764,465)</b>	<b>(164,641,891)</b>
Extraordinary items (specifying nature)		
<b>Net Cash from Operating Activities - A</b>	<b>(37,423,062)</b>	<b>(151,736,729)</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Tangible Fixed Assets	(57,189,070)	(66,267,141)
Purchase of Long Term Investment	(1,708,950)	(1,200,000)
Interest Received	1,801,433	2,230,750
Other misc. Income	5,326,789	13,873,458
<b>Net Cash from Investing Activities - B</b>	<b>(51,769,838)</b>	<b>(61,362,933)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from issuance of Share Capital (including Share Premium)	222,000,000	46,759,000
Proceeds from Long term Borrowings	67,458,018	239,077,054
Re-payment of Long Term Borrowings	(33,000,000)	15,000,000
Interest Paid	(94,193,339)	(57,044,977)
Long term Loan & Advances	(53,626,847)	
<b>Net Cash used in Financing Activities - C</b>	<b>186,537,732</b>	<b>213,781,077</b>
<b>Net increase in cash and Cash Equivalents (A+B+C)</b>	<b>1,203,448</b>	<b>213,747</b>
<b>Cash and Cash Equivalents at beginning of period (See Note 1)</b>	<b>1,947,534</b>	<b>2,161,281</b>
<b>Cash and Cash Equivalents at end of period (See Note 1)</b>	<b>3,150,982</b>	<b>1,947,534</b>
See accompanying notes to the financial statement		
<b>For Ramesh Gupta &amp; Co.</b>		
Chartered Accountants		
FRN-001605H		
CA Manoj Gupta Proprietor M.No. 87361	Saurabh Rathi Managing Director	Raj Kumar Rathi Director
		Sandesh Jain Director
Place: New Delhi		
Date: 13.06.2012		

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

XIXth AGM

Attendance Slip



Folio No.	
No. of Equity Shares Held	

I hereby record my presence at the XIXth Annual General Meeting of the Company being held at A-3, Industrial Area, South of G.T. Road, Ghaziabad (U.P.) on Friday the 28th day of September, 2012 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 XIXth 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 XIXth Annual General Meeting of the Company to be held on the Friday the 28th day of September, 2012 at 10.00 a.m. and at any adjournment thereof.

Signed this ..... day of ..... 2012

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.

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**Rathi Graphic Technologies Ltd.**  
24/1A, Mohan Cooperative Industrial Estate,  
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