



RASI ELECTRODES LIMITED

BOARD OF DIRECTORS

Mr. B.POPATLAL KOTHARI,
Chairman and Managing Director

Mr. B.RANJIT KUMAR KOTHARI
Director

Mrs. RUCHI KOTHARI
Director (upto 01.10.2009)

Mr. HITESH M DHARAMSHI
Director

Mr. MAHESH C TURAKHIA
Director (upto 01.10.2009)

Mr. AJAY GOYAL
Director

Mr. N PRAKASH KUMAR
Director

AUDITORS

M/s. A.N.P. ASSOCIATES,
Chartered Accountants,
B-7, Adinath Complex, 2nd floor,
91, Govindappa Naicken St.,
Chennai - 600 001.

BANKERS

DENA BANK, ICICI BANK

REGISTERED OFFICE

No.44/4, Strotten Muthia Mudali St.
Chennai - 600 079.

ADMINISTRATIVE OFFICE

No.A/14, Rams Apartments,III Floor,
21, Raja Annamalai Road,
Purasawalkam,
Chennai - 600 084.

FACTORY

Upparapalayam Village, Almathi Post,
Redhills, Chennai - 600 052.

*(Members are requested to bring their copies
of the Annual Report to the meeting)*

(No Gifts will be given at the AGM)

RASI ELECTRODES LIMITED

NOTICE

To,

The Shareholder,

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Company will be held at 9.00 A.M. on Monday, the 27th September, 2010 at HOTEL ABU PALACE, No.926, Poonamallee High Road, Chennai-600 084 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2010 and the Profit & Loss Account for the year ended 31st March 2010 together with the Directors' and Auditor's report thereon and the Compliance Certificate issued by a Practising Company Secretary u/s 383A(1) of the Companies Act, 1956.
2. To declare a dividend.
3. To appoint a Director in the place of Mr. B Ranjit Kumar Kothari who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in the place of Mr. Hitesh M Dharamshi who retires by rotation and being eligible offers himself for reappointment.
5. To appoint an auditor in the place of the retiring Auditors M/s ANP Associates, Chartered Accountants, Chennai, who being eligible are offering themselves for reappointment and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Section 269,198,309, Schedule XIII and other applicable provisions of the Companies Act, 1956, approval be and is hereby accorded for re-appointment of Mr B Popatlal Kothari as the Managing Director of the Company for a period of three years from 13th February 2010 to 12th February 2013."

"RESOLVED FURTHER THAT Mr B POPATLAL KOTHARI, Managing Director, be paid the following remuneration:

- i. Salary & Perquisites: to be determined and fixed by the Board of Directors based on the recommendation of the remuneration committee in the scale of Rs 1,00,000 to 2,00,000 with periodical increments within the limits of the above mentioned scale to be approved by the Board of Directors on recommendation of the Remuneration Committee.
- ii. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- iii. Gratuity payable at a rate not exceeding half a months salary for each completed year of service.
- iv. Encashment of leave at the end of tenure as per the rules framed by the company."

"RESOLVED FURTHER that in any financial year during the currency of tenure of Mr B. Popatlal Kothari as the Managing Director, the company shall pay to him the remuneration comprising of Salary and Perquisites as detailed above as minimum remuneration in the absence or inadequacy of profits subject however to the overall limit laid down under Section II of Part II of Schedule XIII to the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to increase, vary or otherwise alter the remuneration including the perquisites payable to Mr B Popatlal Kothari, Managing Director, during his tenure as Managing Director subject, however, to the overall ceiling determined in terms of Schedule XIII to the Companies Act, 1956."



7. To consider and if thought fit, to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION:
"RESOLVED THAT, pursuant to and in terms of requirements of section 149(2A) and other applicable provisions of Companies Act, 1956, approval be and is hereby accorded for commencing the business or businesses as mentioned in Clause III.(C).(1) of the existing Memorandum of Association of the Company."

By Order of the Board
for **RASI ELECTRODES LIMITED**

CHENNAI
DATED: 11th August 2010

B POPATLAL KOTHARI
CHAIRMAN & MANAGING DIRECTOR

NOTES :

01. A member entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself and such proxy need not be a member of the Company.
02. The instrument appointing a proxy duly stamped and executed for use at the meeting must be lodged at the registered office of the Company not less than 48 hours before the time fixed for the meeting.
03. The explanatory statement required to be annexed to the notice as per the requirements of section 173(2) of the Companies Act, 1956, setting out all the material facts relating to special business proposed in the notice is attached.
04. Members seeking any information with regard to accounts are requested to write to the Company at least 7 days in advance of the meeting so as to enable the management to keep the information ready.
05. Members are requested to bring their copies of the Annual Report with them to the meeting.
06. The Register of members and Share Transfer books shall remain closed from Wednesday, the 15th September 2010, to Monday, the 27th September 2010 (both days inclusive). The payment of dividend that may be declared by the shareholders at the 16th AGM will be made on or after 1st October 2010 as under:
 - To all beneficial owners in respect of shares held in electronic form as per the data as may be made available by the National Securities Depository Limited as of the close of the business hours on 14th September 2010;
 - To all shareholders in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 14th September 2010.
07. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the shareholders.
08. Shareholders holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Transfer Agents M/s Cameo Corporate Services Limited, Subramanian Building, 1, Club House Road, Chennai-600002. Shareholders holding shares in electronic form must send the advice about change in address to their respective Depository Participants and not to the Company.

09. The particulars required to be furnished under Clause 49 of the Listing Agreement relating to Directors retiring by rotation and seeking re-election is provided below:

Name of the Director	Mr Ranjit Kumar Kothari	Mr Hitesh M Dharamshi
Qualification	Graduate	B.Com.A.C.A.
Date of Birth	45 years 23rd July 1965	35 years 23rd March 1975
Date of Appointment	13.02.1995	10.01.2004
Nature of expertise in specific functional areas	Around 24 years experience in various business such as construction, real estate, trading in spices etc.	Experienced in Finance, Accounts, Audit and Capital Market Related activities.
Names of other Companies in which they are Directors	Arun Shanti Developers Pvt Ltd	Nil
Names of other Companies in which they are Members of Committees of the Board	Nil	Nil

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE PURSUANT TO THE REQUIREMENTS OF SECTION 173(2) OF THE COMPANIES ACT, 1956.

The following are the material facts relating to the special business proposed in the notice:

ITEM 6: RE-APPOINTMENT OF Mr B POPATLAL KOTHARI AS A MANAGING DIRECTOR AND REMUNERATION PAYABLE TO HIM

The tenure of appointment of Mr B Popatlal Kothari as the Managing Director of the Company ceased on 12th February 2010. The Board of Directors of the Company have at their meeting held on 29th January 2010, based on the recommendation made by the Remuneration Committee, re-appointed Mr B Popatlal Kothari as Managing Director of the Company for a further period of three years from 13th February 2010 to 12th February 2013 at a remuneration as set out in the resolution. The re-appointment of Mr B Popatlal Kothari as the Managing Director and the remuneration payable to him is subject to the approval of the shareholders as required under section 269 read along with Schedule XIII to the Companies Act, 1956.

The Board commends the resolution for acceptance. Mr B Popatlal Kothari and Mr B Ranjit Kumar Kothari are deemed to be interested in the resolution.

The details to be furnished in terms of the requirements of proviso to sub-section 1(B) of section II, Part II of Schedule XIII to the Companies Act, 1956, is furnished below:

I. GENERAL INFORMATION:

i. DEBT SERVICE TRACK RECORD

The Company has not made any default in repayment of any of its debts (including public deposits) or interest payable thereon for a continuous period of thirty days in the financial year ended 31st March 2010.

ii. NATURE OF INDUSTRY

The company is in the business of manufacture and marketing of welding electrodes of different grades and speciality catering to the requirements of light and heavy engineering industries. The Company is also importing and trading in Copper Coated Mild Steel.

iii. COMMERCIAL PRODUCTION:

The Company has commenced the commercial operations during the year 1994-95. The Company has been in continuous commercial operations from the financial year 1994-95.

iv. FINANCIAL PERFORMANCE:

The Financial performance of the Company for the past five years is furnished below:

Year ended	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Turnover	180550591	173795630	144162007	97964253	78409697
Profit before Interest, depreciation and tax	23601779	17061436	21144691	16430635	9527063
Profit after tax	11667789	6823885	10863046	8669123	4798765

v. EXPORT PERFORMANCE:

The export turnover made during the year ended 31st March 2010 is Rs 39.18 lakhs. During the year ended 31st March 2010, the Company has expended an amount of Rs.534.90 lacs in foreign exchange. The Company has earned foreign exchange to the extent of 46.81 lacs during the year ended 31st March 2010.

vi. FOREIGN INVESTMENTS / COLLABORATION:

The Company does not have any foreign collaboration or Foreign Direct Investment.

II. INFORMATION ABOUT Mr B POPATLAL KOTHARI, MANAGING DIRECTOR

i. BACKGROUND DETAILS

Mr B Popatlal Kothari is the promoter director on the Board of the Company. He has around 33 years experience in various businesses such as manufacture and marketing of welding products, FMCG products, trading in agri-products, etc.

ii. PAST REMUNERATION:

Mr B Popatlal Kothari was paid a remuneration of Rs 12,16,176 during the year 31st March 2010. The remuneration paid to him comprised of Rs 840000 as Salary (at Rs 70000 per month) and the value of perquisites provided amounts to Rs 376176.

iii. RECOGNITION OR AWARDS:

Mr B Popatlal Kothari has not been given any recognition or award.

iv. JOB PROFILE AND HIS SUITABILITY:

Mr B Popatlal Kothari is designated as the Managing Director of the Company with substantial powers of management of the entire operations of the Company. He is the main promoter director of the Company holding the position of Managing Director right from the incorporation of the Company. He has around 33 years of experience in managing diverse businesses ranging from welding products, agri-products, FMCG products, etc. During his tenure, the Company has grown to its present stature surmounting several problems when the industry in general was facing adverse business conditions.

v. REMUNERATION PROPOSED:

The revised remuneration proposed to be paid to him are as set out in the resolution to be determined, fixed and paid in the scale of Rs 100000 to Rs 200000 per month. It is proposed that the Board of Directors be empowered to vary the remuneration within the scale mentioned in the resolution, based on the recommendation to be made by the Remuneration Committee based on measurable criteria.

vi. COMPARATIVE REMUNERATION PROFILE:

The proposed remuneration is not high when compared to the remuneration profile of similar organizations in the industry.

vii. PECUNIARY RELATIONSHIP:

Mr B Popatlal Kothari is the Promoter of the Company. He does not have any other pecuniary relationship with the Company.

III. OTHER INFORMATION:**i. REASONS FOR INADEQUATE PROFIT:**

The industry was facing adverse business condition. Being an SSI, the Company was facing, on the one hand cost push inflation and on the other hand problems relating to credit and realization of debts. In view of these factors, the profitability of the Company was affected.

ii. STEPS TAKEN OR PROPOSED TO BE TAKEN FOR IMPROVEMENT:

The Company has taken several steps to de-risk the business model. Apart from the core activity of manufacturing and marketing of welding electrodes at its plant at Chennai, the Company has embarked on importing and trading in CCMS Wire, rutile, MIG-MAG Machine, Flux Core Wire and Flux. These additional activities have contributed towards increased turnover achieved. The Company is now actively involved in increasing its domestic market share for its various product portfolio. The Company is also actively involved in supplying its products to Institutional Bulk Customers so that there is stability in the sales turnover in the years to come. The Company is also having plans to set up its own manufacturing facility for some of its traded items once a sizeable market share is secured. These steps taken by the Company is bound to increase the turnover and profitability in the years to come.

iii. EXPECTED INCREASE IN PRODUCTIVITY AND PROFITS IN MEASURABLE TERMS:

The Company has taken several measures as outlined above to increase the turnover and profitability. The impact of these measures in increased turnover and profitability during the year ended 31st March 2010 and it will also have a continued impact in the years to come.

ITEM 7: COMMENCEMENT OF NEW BUSINESS

The Company has been importing its raw materials and other materials for trading relating to its welding electrodes business for the past several years. In the course of conduct of its main business, the Company was able to establish trading contacts with several of its overseas constituents and it has come across several business opportunities for trading in products other than its main products. In view of this development, your Company proposes to commence business as merchant exporter and importer for trading in all kinds of products in the overseas market as well as importing the products for trading in domestic market. This new line of business as merchant exporter and importer is not capital intensive and the Company is optimistic about increasing the turnover and profitability by undertaking the business as merchant exporter and importer.

Commencement of the new line of business as merchant exporter and importer is permitted under Clause III.C.(1) of the existing Memorandum of Association which is reproduced below:

Clause III.C.(1): To carry on all or any of the businesses as merchants, traders, commission agents, buying agents, selling agents, brokers, adatias, buyers, sellers, importers, exporters, dealers in collectors, manufacturers of or in any other capacity and to import, export, buy, sell, barter, exchange, pledge, mortgage, advance upon or otherwise trade and deal in machinery, equipments, components, spare parts, goods, produce articles and merchandise of any kind whatsoever and without prejudice to the generality of the foregoing, food grains, cash crops, cotton, tea, jute, coffee, fruits, spices, milk, milk products, seeds, raw materials required by industries, semi finished products of industries and finished products of industries including machinery, equipment, chemicals, intermediates, electrical goods, textile yarns, garments, furniture, minerals, ores and oils as wholesalers or retailers on the basis of ready delivery or forward contracts or on commission basis.

The above business could be commenced only after securing the approval of shareholders by way of special resolution passed as required under section 149 (2A) of the Companies Act, 1956.

The Board commends the resolution for acceptance. None of the Directors are deemed to be concerned or interested in the resolution.



RASI ELECTRODES LIMITED

DIRECTOR'S REPORT

Dear Shareholder,

Your Directors have pleasure in submitting the Sixteenth Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2010.

FINANCIAL RESULTS

The Financial Results for the year ended 31st March 2010 is given below :

	Year Ended 31.03.2010	Year Ended 31.03.2009
	Rs.	Rs.
Net sales	180550591	173795630
Other Income	1859047	1326394
Total (A)	182409638	175122024
Total Expenditure	158806781	158060588
Profit before interest & depreciation	23602857	17061436
Interest & financial charges	3136880	3815036
Depreciation	2300263	2286823
Profit before tax	18165714	10959577
Provision for tax incl tax for earlier year	6697485	4282920
Deferred tax – current	-200271	-147228
Profit after tax	11668500	6823885
Profit brought forward	8281561	5685261
Transfer to General Reserve	2500000	2000000
Proposed Dividend (5%)	2380000	1904000
Dividend tax	404481	323585
Balance carried to Balance sheet	14665580	8281561

DIVIDEND

Your Directors are pleased to recommend a dividend of Re.0.50 per equity share of Rs 10 each (previous year Re.0.40) for the year ended 31st March 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

A. Industry structure and developments

Your Company is in the business of manufacture and marketing of welding electrodes of different grades and speciality catering to the requirements of light and heavy engineering industries. Your Company is also importing and trading in Copper Coated Mild Steel (CCMS) Wire, rutile, MIG-MAG Machine, Flux Core Wire and Flux. CCMS Wires is a substitute product over the conventional Arc Welding Electrodes.

Your company is operating in the Small Scale Sector. The demand for the company's products are dependent on the prospects for the engineering industries. During the year, the welding industry experienced reasonable growth in aggregate demand due to over all robust growth in the economy in general and engineering and capital goods sector in particular.

B. Performance

During the year ended 31st March 2010, the overall turnover of the Company was Rs.1805.51 lakhs as against Rs.1737.96 lakhs achieved during the last year resulting in an increase in the turnover to the extent of 3.89% when compared with the previous year. The production of welding electrodes was 2484.609 MTS against 1983.758 MTS achieved during the previous year. The traded products constituted a significant portion of the Company's turnover during the year ended 31st March 2010.

During the year ended 31st March 2010, the profit before tax was Rs 181.65 (Rs 109.60) lakhs and after making a provision for tax amounting to Rs 64.97 (Rs 41.36) lakhs (including provision for deferred tax), the profit after tax was Rs 116.68 (Rs 68.24) lakhs. The Profit after tax has increased by 70.98% during the year ended 31st March 2010 when compared to the previous year.

The Company continues to comply with the certification requirements of Det Norkse Veritas Management System conforming to Quality Management System Standard ISO 9001:2008 for its manufacturing facility at Redhills, Chennai.

The demand for the Company's products was reasonably good during the year under report. However, the company continues to face competition from other manufacturers and importers. The input cost of raw materials was also impacted by the fluctuation in the currency prices.

The Company has made good progress in increasing its market share and market penetration with respect to its traded products such as Copper Coated Mild Steel (CCMS) Wire, rutile, MIG-MAG Machine, Flux Core Wire and Flux and welding machines by importing the same. The trading turnover of these additional products was Rs.549.04 lacs during the year as against Rs.592.16 lacs achieved during the previous year.

C. Segment wise performance

Your company operates in the single segment i.e., manufacture and marketing of welding electrodes and as such the discussion of segment-wise performance is not applicable.

D.Concerns

The cost of raw materials such as steel and rutile continues to escalate and the Company does not have any control over the same. Currency fluctuations have affected the procurement cost of imports.

E.Prospects and Outlook

Your Company has succeeded in establishing the brand name for the company's product in the domestic market. The Company has also introduced newer range of welding electrodes products in the market. The Company was also able to expand its reach to newer market segments during the year.

Your Company continues to import and trade in CCMS Wire, rutile, MIG-MAG Machine, Flux Core Wire and Flux has also shown considerable improvement. These trading activities have aided the Company in establishing a niche market for itself for these newer segments of products without having a manufacturing facility.

Your Company has also exported its products for the first time during the year. Your Company is also exploring the opportunity to export its products and also other tradeable product using its contacts with the overseas market. This is bound to increase the turnover and profitability in the years to come.

F.Internal control systems

Your company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from un-authorized use or disposition.

G.Human resources and industrial relations

Your Company has well qualified and experienced technical, financial and administrative staff to cater to its business requirements. The relations with the employees of the company remained cordial throughout the year.

None of the employees are in receipt of remuneration in excess of the limits prescribed under section 217(2A) of the Companies Act, 1956.

DIRECTORS

Your Directors Mr Mahesh C Turakhia and Mrs Ruchi Kothari resigned during the year due to their other personal pre occupations.

Your Directors Mr Ranjit Kumar Kothari and Hitesh M Dharamshi, are retiring by rotation at the ensuing Annual General Meeting and being eligible are offering themselves for reappointment as Directors on the Board of the Company.

AUDITORS

M/s. ANP Associates, Chartered Accountants, Chennai shall be retiring at the ensuing Annual General Meeting and being eligible are offering themselves for reappointment.

CONSERVATION OF ENERGY, ETC

As required under the Provisions of Sec. 217 (1) (e) of the Companies Act 1956 information relating to Conservation of energy, technology absorption, and foreign exchange earnings and outgo is annexed hereto.

There were no employees drawing remuneration exceeding the limits prescribed under section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

CORPORATE GOVERNANCE

A report on Corporate Governance as prescribed under Clause 49 of the Listing Agreement is annexed.

COMPLIANCE CERTIFICATE

As required under section 383A(1) of the Companies Act, 1956, a Compliance Certificate issued by a Practicing Company Secretary for the year ended 31st March 2010 is annexed to this report.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956

Your Directors state that :

- (i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any.
- (ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.
- (iii) The directors have taken proper and sufficient care for the maintenance of sufficient 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) The directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the various Governmental authorities, the Company's Bankers M/s.Dena Bank, the customers, and Suppliers. Your Directors also wish to place on record the dedicated Services rendered by the employees of the Company at all levels.

for and on behalf of the Board of Directors

CHENNAI
DATED:11.08.2010

B.POPATLAL KOTHARI
Chairman and Managing Director

RASI ELECTRODES LIMITED

ANNEXURE TO DIRECTORS' REPORT

Disclosure of particulars Pursuant to Sec 217(1)(e) of the Companies Act, 1956

A. CONSERVATION OF ENERGY : Energy Conservation measures have been adopted right from the initial Stages of manufacture to achieve the optimum energy consumption per unit of production.

B. POWER AND FUEL CONSUMPTION

S.NO	PARTICULARS	UOF	Year ended 31.03.2010	Year ended 31.03.2009
1	Electricity:			
A	Purchased:			
	Units	Kwh	383821	257954
	Total amount	Rs	1908672	1281346
	Rate/unit	Rs	4.97	4.97
B	Own generation			
(i)	Through diesel generator			
	Units	Kwh	10200	6900
	Units per litre of diesel oil	Kwh	5.55	5.55
	Cost per unit	Rs	4.71	12.02
(ii)	Through steam turbine generator			
2	Coal		Nil	Nil
3	Furnace oil		Nil	Nil
4	Others/internal generation		Nil	Nil
5	Consumption per unit of production:			
	Electricity	Kwh/mt	158.58	133.51
	Furnace oil			NA
	Coal			NA
	Others			NA

C. TECHNOLOGY ABSORPTION

Technology has been developed by the promoter Director themselves. The Company has not purchased technology from outside sources (either indigenous or foreign).

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign Exchange Outgo	Rs.	53489938	61302308
Total Foreign Exchange Earnings	Rs.	4680741	1889134

A M GOPIKRISHNAN, B.Com., FICWA, FCS, MCA

COMPANY SECRETARY (In Wholetime Practice)

'Sri Durga Pearl', flat S-3, 151, first Main Road, Sakthivel Nagar, Chennai-600082.

COMPLIANCE CERTIFICATE, COMPANY No. : U52599TN1994PLC026980 NOMINAL CAPITAL : Rs 500,00,000

To, The Members

RASI ELECTRODES LIMITED

**REGD OFF: 44/4, STROTEN MUTHIAH STREET,
CHENNAI-600079**

I have examined the registers, records, books and papers of M/s RASI ELECTRODES LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March 2010. In my opinion and to the best of my information and according to the examinations carried out by me and the explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

- The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
- The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed or within the extended period of time upon payment of necessary additional fees as the case may be under the Act and the rules made there under.

3. The company is a public limited Company. The equity shares of the Company is listed and actively traded at the Bombay Stock Exchange Limited. The Company has minimum prescribed paid up capital.
4. The Board of Directors duly met SEVEN (7) times during the year on 6th April 2009, 30th June 2009, 31st July 2009, 1st October 2009, 31st October 2009, 10th December 2009 and 29th January 2010. As per the information and explanation given to me, notices of such meetings have been given to all the Directors. The proceedings at the meetings were properly recorded and signed in the minutes book maintained for the purpose. No circular resolution was passed during the year.
5. The company closed its register of members from 10th September 2009 to 25th September 2009 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting (AGM) for the financial year ended on 31st March 2009 was held on 25th September 2009. As per the explanations given to me, notice for the said AGM was sent to all the shareholders by ordinary post. The resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors or persons or firms or Companies referred to under section 295 of the Act.
9. As per the information and explanation given to me, the company has not entered into contract falling within the purview of section 297 of the Act.
10. The company has made necessary entries in the Register maintained under section 301 of the Act.
11. The company has obtained necessary approvals from the Board of Directors and members pursuant to section 314 of the Act in respect of remuneration paid to a relative of a Director. The Company was not required to seek the previous approval of the Central Government during the year.
12. The Company has not issued any duplicate share certificate during the financial year.
13. The company has:
 - (i) through its RTA, delivered all the certificates on lodgment thereof for transfer / transmission or any other purpose in accordance with the provisions of the Act. The Company has not made any allotment of securities during the financial year.
 - (ii) Deposited the amount of dividend declared in a separate bank account on 29th September 2009 which is within five days from the date of declaration of such dividend.
 - (iii) Paid / posted demand drafts / warrants for dividends to all the members within a period of 30 days from the date of declaration and that all unclaimed / unpaid dividend has been transferred to unpaid dividend account of the Company with HDFC Bank, Chennai, within the time stipulated under the Act.
 - (iv) There were no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years and as such no amounts were transferred to investors education and protection fund during the year.
 - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors is duly constituted. The Company has not appointed any Additional Director or Director to fill casual vacancy during the financial year.
15. The appointment of Managing Director has been made in compliance with the provisions of section 269 read with schedule XIII to the Act. However, the Company has not filed the requisite Form 23 and Form 25C along with the Board resolution re-appointing the Managing Director for a further period of three years. As per the information and explanation furnished to me, the Company will be seeking the approval of the shareholders for the re-appointment of the Managing Director and the remuneration payable to him at the ensuing AGM. The Company is not required to obtain any approval from the Central Government in respect of the appointment of Managerial Personnel and remuneration paid to them.

16. The Company has not appointed any sole selling agents during the financial year.
17. There were no other instances during the financial year where the Company was required to seek the approval of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares/debentures/other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares/debentures and hence redemption of any preference shares or debentures does not arise.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividends, rights shares and bonus shares pending registration of transfers of shares.
23. An amount of Rs 85,000 is outstanding as on 31st March 2010 towards security deposit taken from dealers and the same has been classified under the head unsecured loans in the Balance Sheet as on that date. Other than the above, the Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The amount borrowed by the Company from Directors, members, public, financial institutions, banks and others during the financial year ending 31st March 2010 is / are within the borrowing limits of the Company stipulated u/s 293(1)(d) of the Act.
25. The Company has made loans and investments or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The company has not altered the provisions of the Memorandum of Association with respect to the situation of the company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum of Association with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered the Articles of Association during the financial year.
31. There was / were no prosecutions initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted a separate Provident Fund Trust for its employees or class of its employees as contemplated under section 418 of the Act and as such remittance of contribution to provident fund with prescribed authorities pursuant to section 418 of the Act, does not arise.

CHENNAI
DATED: 11.08.2010

A M GOPIKRISHNAN
COMPANY SECRETARY
(In Whole-time Practice)
C.P.No.: 2051

ANNEXURE A

REGISTERS AS MAINTAINED BY THE COMPANY

1. Register of Members u/s 150 of the Companies Act, 1956, (Maintained at the premises of the RTA M/s Cameo Corporate Services Limited pursuant to approval accorded by the members and agreement entered with the RTA).
2. Register of share transfer (Maintained at the premises of the RTA M/s Cameo Corporate Services Limited pursuant to approval accorded by the members and agreement entered with the RTA).
3. Register of Directors/Managing Director u/s 303 of the Companies Act, 1956.
4. Register of Directors share and debenture holdings u/s 307 of the Companies Act, 1956.
5. Register of Contracts u/s 301 of the Companies Act, 1956.
6. Register of Contracts, Companies and Firms in which Directors are interested u/s 301 (3) of the Companies Act, 1956.
7. Minutes books u/s 173 of the Companies Act, 1956.
8. Books of Accounts u/s 209 of the Companies Act, 1956.

ANNEXURE B

FORMS AND RETURNS AS FILED BY THE COMPANY WITH REGISTRAR OF COMPANIES, REGIONAL DIRECTOR, CENTRAL GOVERNMENT OR OTHER AUTHORITIES DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2010.

SNO	Form No./Return	Filed u/s	For	Date of filing	Filed within prescribed time	If delay in filing whether requisite additional fee paid
1	Form 23AC along with Balance Sheet as on 31.3.2009 and Form 23ACA along with profit and Loss Account for the year ended 31 st March 2009	220(1)	Balance sheet as on 31.3.2009 duly adopted by the shareholders at their AGM held on 25.09.2009.	22.10.2009	Yes	NA
2	Form 20B along with Annual Return as on 25.09.2009	159	Annual Return as on the date of AGM held on 25.09.2009	13.11.2009	Yes	NA
3	Form 66 along with Compliance certificate	383A	Compliance Certificate issued by a practising Company Secretary for the year ended 31st March 2009	21.10.2009	Yes	NA
4	Form 32	303(2)	Resignation of Directors Mr. Mahesh C. Turakhia and Mrs. Ruchi N Kothari w.e.f. 1.10.2009	14.10.2009	Yes	NA
5	Form 8	125	Modification of Charge made on 18.12.2009 in favour of Dena Bank for securing the working capital limits of Rs. 625 lakhs (enhanced from Rs 450 lakhs)	24.12.2009	Yes	NA

M/s A.N.P. Associates,
Chartered Accountants,
B-7, Adinath Complex,
2nd floor, 91, Govindappa Naicken St.,
Chennai - 600 001.

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of M/s Rasi Electrodes Limited

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchange of India, for the financial year ended 31st March 2010.

The compliance of the 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.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information & explanations given to us by the Company.

Based on such a review, and to the best of our information & according to the explanations, given to us, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the said Listing Agreements.

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

For **A N P ASSOCIATES,**
Chartered Accountants

Chennai
Dated: 11th August 2010

AMISH N PATEL
Proprietor
Membership No. 027859

RASI ELECTRODES LIMITED

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your company is in the business of manufacturing welding electrodes required by engineering, chemical and other manufacturing industries. Your company's philosophy of corporate governance is to provide low cost quality welding electrodes which best satisfy the needs of the customers and in the process, to bring about prosperity to the company, its shareholders, its investors and the country at large.

II. BOARD OF DIRECTORS

- The Company has an Executive Chairman. The Company's Board comprises Five Directors (as on 31st March 2010) of whom Three are Independent Directors (60%) and Two are Non-Independent Directors (40%). The number of Non-Executive Directors is Four (80%). The composition of the Board is in conformity with Clause 49 of the Listing Agreement.
- None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49, across all the Companies in which he/she is a Director. Necessary disclosures regarding Directorship / Committee positions held by the Directors in other public companies as at 31st March 2010, have been made by the Directors.
- The names and categories of Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies is given below. Other Directorships do not include alternate directorships, Directorships of private limited companies and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

Names of Directors	Promoter/non-promoter	Relationship with other Directors	Executive/Non-executive/Independent	No. of Board Meetings Attended	Last AGM Attended Yes/No	No. of Outside Directorship held	Member of Committee*
1. Mr B Popatlal Kothari Chairman & Managing Director	Promoter	Related	Executive/Non-independent	7	Yes	1	Nil
2. Mr. Ranjit Kumar Kothari, Director	Promoter	Related	Non-Executive /Non-independent	7	Yes	1	Nil
3. Mrs Ruchi Kothari, Director (resigned w.e.f. 1.10.2009)	Non-Promoter	Related	Non-Executive/non-Independent	3	No	Nil	Nil
4. Mr Hitesh M Dharamshi, Director	Non-Promoter	Not Related	Non-Executive /Independent	5	Yes	Nil	Nil
5. Mr Mahesh C Turakhia, Director	Non-Promoter	Not Related	Non-Executive/Independent	4	No	Nil	Nil
6. Mr Ajay Goyal, Director	Non-Promoter	Not Related	Non-Executive/Independent	6	No	Nil	Nil
7. Mr N Prakash Kumar	Non-Promoter	Not Related	Non Executive/Independent	6	Yes	Nil	Nil

- During the year ended 31st March 2010, Seven (7) Board Meetings were held on 6th April 2009, 30th June 2009, 31st July 2009, 1st October 2009, 31st October 2009, 10th December 2009, and 29th January 2010.

- v. The Notice and Agenda for the Board Meeting is sent to each of the Director at least a week in advance. The Managing Director as the Chief Executive Officer of the Company briefs the Board at every meeting on the overall performance of the Company. The Board reviews all the mandatory matters as prescribed under Clause 49 of the Listing Agreement every quarter.

III.AUDIT COMMITTEE

- i. The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement read with section 292A of the Companies Act, 1956.
- ii. The terms of reference of the Audit Committee are in line with the one prescribed under Clause 49 of the Listing Agreement.
- iii. In its meetings, the Audit Committee considered and reviewed matters relating to operational, financial and other business areas and also reviewed the quarterly results and annual results of the Company.
- iv. The previous Annual General Meeting was held on 25th September 2009 and it was attended by Mr Hitesh M Dharamshi, the Chairman of the Audit Committee.
- v. The Audit Committee of Directors met Five (5) times during the year on 6th April 2009, 30th June 2009, 31st July 2009, 31st October 2009 and 29th January 2010.
- vi. The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

Name	Category	No.of meetings held	No.of meetings attended
Mr Hitesh M Dharamshi	Chairman, Independent, Non-Executive	5	5
Mr Ranjit Kumar Kothari	Non-Independent, Non-Executive	5	5
Mr Ajay Goyal	Independent, Non-Executive	5	5

IV.REMUNERATION COMMITTEE

The Remuneration Committee comprises of the following Directors:

SNO	NAME OF THE DIRECTOR	CATEGORY	No. of Meetings held	No.of Meetings attended
1	Mr Mahesh C Turakhia	Chairman, Independent, Non-Executive (resigned w.e.f 1.10.2009)	NIL	NIL
2	Mr Ajay Goyal	Chairman, Independent, Non-Executive (Nominated as Member of the Committee and as Chairman of the Committee w.e.f. 1.10.2009)	2	1
3	Mr Ranjit Kumar Kothari	Non-Independent, Non-Executive	2	2
4	Mr Prakash Kumar	Independent, Non-Executive	2	2

- ii. The terms of reference of the Remuneration Committee to review and recommend the remuneration payable to Executive and Non-Executive Directors.
- iii. A meeting of the Remuneration Committee was held twice during the year on 15th April 2009 and 10th January 2010.
- iv. The Company does not have any Employee Stock Option Scheme.
- v. Details of the remuneration paid to Executive and Non-Executive Directors for the year ended 31st March 2010 is given below:

Name	Designation	Remuneration paid to Executive Directors including perquisites (Rs.)	Remuneration paid to Non-Executive Directors (Rs.)	Sitting fees paid to Directors(Rs.)
1.Mr B Popatlal Kothari	Chairman & Managing Director	1216176	Nil	Nil
2.Mr Ranjit Kumar Kothari	Director	Nil	Nil	7000
3.Mr Ruchi Kothari (resigned w.e.f.1.10.2009)	Director	Nil	Nil	3000
4.Mr Hitesh M Dharamshi	Director	Nil	Nil	5000
5.Mr Mahesh C Turakhia (resigned w.e.f.1.10.2009)	Director	Nil	Nil	5000
6.Mr Ajay Goyal, Director	Director	Nil	Nil	6000
7.Mr N Prakash Kumar	Director	Nil	Nil	6000

vi.Details of shares of the Company held by Directors as on 31st March 2010 are as follows.

Name	Designation	Equity shares held
1.Mr B Popatlal Kothari	Chairman & Managing Director	567245
2.Mr Ranjit Kumar Kothari	Director	233100
4.Mr Hitesh M Dharamshi	Director	Nil
6.Mr Ajay Goyal	Director	4200
7.Mr N Prakash Kumar	Director	Nil

vii.The Company has not issued any convertible debentures.

V.SHARE TRANSFER AND INVESTOR/S SHARE HOLDERS GRIEVANCE COMMITTEE

i. The composition of the Share Transfer and Investor / Shareholders Grievance Committee and the details of meetings held and attended by the members of the Committee are given below:

Name	Category	No.of meetings held	No.of meetings attended
Mr B Popatlal Kothari	Chairman, Executive, Non-independent	13	13
Mr B Ranjit Kumar Kothari	Non-Executive, Non-Independent	13	13
Mr Prakash Kumar	Executive, Independent	13	13

- ii. The Committee met thirteen (13) times during the year on 15th April 2009, 2nd May 2009, 30th June 2009, 31st July 2009, 2nd September 2009, 21st October 2009, 16th November 2009, 15th December 2009, 31st December 2009, 30th January 2010, 19th February 2010 and 3rd March 2010 and 15th March 2010.
- iii. The terms of reference of the Committee are to approve the Share Transfers / Transmission, to take on record dematerialization of shares, to approve splits, consolidation of share certificates, and to specifically look into redressal of complaints from shareholders and investors.
- iv. Name, Designation and address of Compliance Officer is given below:
Mr B Popatlal Kothari
Managing Director
Rasi Electrodes Limited
Admn Off : 'Rams Apartments', Flat A-14,
12 (Old No.:21), Raja Annamalai Road,
Chennai-600084, Tel: 044-26424523; 26427884
- v. Details of complaints received and redressed are given below:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	9	9	Nil

VI.GENERAL BODY MEETINGS

- i.The location, time where last three AGMs held are furnished below:

YEAR	LOCATION	DATE	TIME
2006-2007	HOTEL ABU PALACE, No.926, Poonamallee High Road, Chennai - 600 084	28.09.2007	9.00 A.M.
2007-2008	HOTEL ABU PALACE, No.926, Poonamallee High Road, Chennai - 600 084	24.09.2008	9.00 A.M.
2008-2009	HOTEL ABU PALACE, No.926, Poonamallee High Road, Chennai-600 084	25.09.2009	9.00 A.M.

- ii.The details of Special Resolutions passed at the previous three AGMs are furnished below:

Date of AGM	Details of Special Resolution Passed
28.09.2007	(i). Increase in Authorised Capital to Rs 500,00,000. (ii). Authorisation for issue of Bonus Shares in the ratio of 2 : 5. (iii). Increase in remuneration payable to Mr B Popatlal Kothari, Chairman & Managing Director.
24.09.2008	Nil
25.09.2009	Nil

- iii. No resolution was passed through postal ballot during the year ended 31st March 2010.
- iv. No resolution is proposed to be passed through postal ballot during the year ended 31st March 2011..

VII.DISCLOSURES

- i. Disclosures on materially significant related party transactions i.e Transaction of the company of material nature with its promoters, Directors or management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large:

The disclosures relating to related party transactions as per AS18 is given in Schedule - 16 - Notes on Accounts – Note No.: 9.
- ii. Details of non compliance by the company, penalties, strictures imposed on the Company by Stock exchange or SEBI or any statutory authority, on any matter related to capital market during the last three years :

During the year ended 31st March 2007, SEBI has levied a penalty of Rs 25000 for delayed appointment of a common agency for handling the share transfer and dematerialization process at a single location.

- iii. The Board of Directors of the Company have adopted a suitable Code of Conduct to be adhered to by its Directors and Senior Management Personnel. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct during the year ended 31st March 2010 and the Certificate furnished by the Managing Director in his capacity as the Chief Executive Officer of the Company is annexed to this report.
- iv. The Board of Directors have also laid down a comprehensive Code of Conduct for Prevention of Insider Trading applicable to its Board of Directors and Senior Management Personnel. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct during the year ended 31st March 2010.
- v. The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with clause 7 of Annexure ID to Clause 49 of the Listing Agreement, for employees to report concerns about unethical behaviour. No person has been denied access to the Audit Committee.
- vi. The risk assessment and minimization procedures are in existence and the Board of Directors reviews the same at their quarterly meetings.
- vii. The Company has not fulfilled any of the non-mandatory requirements as prescribed in Annexure ID to Clause 49 of the Listing Agreement other than the contribution of Remuneration Committee.

VIII. MEANS OF COMMUNICATION

- i. The quarterly and annual results are communicated to the Stock Exchange immediately after the Board Meeting where in it is approved.
- ii. The quarterly and annual results are also published in the news papers "Trinity Mirror" and "Makkal Kural".
- iii. A Management discussion and Analysis Statement is a part of the Directors Report furnished in the Company's Annual Report.

IX. GENERAL SHAREHOLDER INFORMATION

i.	16th Annual General Meeting	
	Date	27 th September 2010
	Time	9.00 A.M.
	Venue	Hotel Abu Palace, 926, Poonamallee High Road, Chennai - 600084
ii.	Financial year:	
	Year ending	31 st March 2010
	AGM in	27 th September 2010
	Dividend payment	The dividend, if declared, shall be paid / credited on or after 1 st October 2010
iii.	Date of book closure	From Wednesday 15 th September 2010 to Monday, the 27 th September 2010 (both days inclusive)
iv.	Listing on Stock Exchanges	Bombay Stock Exchange Limited
v.	Stock code/SIN No.	531233 INE822D01013
vi.	Market price data	The details of share prices as traded on the Bombay Stock Exchange is furnished below:

Month	High	Low	No.of shares traded	No.of Trades
April 2009	16.49	13.50	8726	134
May 2009	20.50	14.50	93304	435
June 2009	22.00	16.75	111481	334
July 2009	21.50	15.25	80735	235
August 2009	25.00	18.10	15496	191
September 2009	24.30	19.00	19027	201
October 2009	23.00	17.00	10446	151
November 2009	20.95	17.20	17957	268
December 2009	20.20	17.50	72701	278
January 2010	22.80	17.50	83014	411
February 2010	20.20	16.20	20971	164
March 2010	19.50	15.55	234822	504

Source: Website of The Stock exchange, Mumbai.

vii.	Registrar & Transfer Agent	Cameo Corporate Services Limited Subramanian Building, No.1, Club House Road, Chennai - 600002 Tel: 044-28460390-91-92
viii.	Share Transfer System	A total of 4375841 equity shares representing 91.9295% of the paid-up capital of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. The shares in the physical form are normally transferred within a period of 15-30 days from the date of receipt if the documents are complete in all respects.
ix.	Distribution of shareholding	

a. Distribution of shareholding as on 31st March 2010 is furnished below:

Distribution Range (No. of shares)	No. of shareholders	% of total	No. of equity shares held	% of total
1 – 500	996	62.1722	138591	2.9116
501 – 1000	303	18.9139	224612	4.7187
1001 – 2000	115	7.1786	164222	3.4500
2001 – 3000	33	2.0600	81801	1.7185
3001 – 4000	21	1.3109	73502	1.5443
4001 – 5000	17	1.0611	77953	1.6377
5001 – 10000	36	2.2471	249390	5.2392
10001 & above	81	5.0562	3749929	78.7800
Total	1602	100.000	4760000	100.0000

b. Categories of shareholders as on 31st March 2010 is furnished below:

Category	No. of shares	Percentage
Promoters holdings	1572192	33.03
Corporate Bodies	284006	5.97
Indian Public	2903802	61.00
Total	4760000	100.00

x.	Dematerialisation of shares and liquidity	The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Ltd(NSDL) and Central Depository Services Limited (CSDL). 4375841 Equity shares of the Company representing 91.9295% of the Company's share capital are dematerialized as on March 31, 2010. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE822D01013
xi	Outstanding GDRs/ADRs	The Company has so far not issued any GDRs/ADRs/Warrants or any convertible instruments.
xii.	Plant locations	Welding Electrodes Manufacturing Plant, Upparapalayam Village, Alamathi Post, Redhills, Chennai - 600052.
xiii.	Address for correspondence	Administrative Office: 'Rams', A-14, III Floor, 21, RajaAnnamalai Road, Chennai-600084 For transfer of shares , dematerialisation, change of address, etc., to: CAMEO CORPORATE SERVICES LIMITED Subramaniam Building, No.1, Club House Road, Chennai-600002
xiv.	Exclusive E-Mail ID for Redressal of Investor Complaints	The Company has designated an e-mail ID exclusively for the purpose of registering complaints by investors. The e-mail ID is investorcomplaints@airtelmail.in. Shareholders / Investors can send their complaints / Grievances to the above e-mail ID.

CEO/ CFO CERTIFICATION:

I, B Popatlal Kothari, Managing Director, certify that:

- (a) I have reviewed the financial statements and the cash flow statement for the year ended 31st March 2010 and that to the best of my 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 and we have evaluated the effectiveness of the internal control system of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design and operation for internal controls, if any, of which we was aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) we have indicated to the auditors and the Audit Committee
 1. Significant change in internal control during the year, wherever applicable;
 2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements wherever applicable: and
 3. Instances of significant fraud of which I became aware or the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

CHENNAI
DATED: 11TH AUGUST 2010

B POPATLAL KOTHARI
MANAGING DIRECTOR

MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT

As required by Clause 49 of the Listing Agreement the Managing Director's Declaration on compliance of the Code of Conduct is given below:

To
The Members of
Rasi Electrodes Limited.

I. B. Popatlal Kothari, Managing Director of the Company, hereby declare that all Board Members and Senior Managerial Personnel have affirmed their compliance with the Code of Conduct during the year ended 31st March 2010.

CHENNAI
DATED: 11TH AUGUST 2010

B POPATLAL KOTHARI
MANAGING DIRECTOR

M/s A.N.P. Associates,
Chartered Accountants, B-7, Adinath Complex, 2nd floor,
91, Govindappa Naicken St., Chennai - 600 001.

REPORT OF THE AUDITORS

Auditor's Report to the Members of Rasi Electrodes Limited

1. We have audited the attached Balance Sheet of Rasi Electrodes Limited as at 31st March 2010, the annexed Profit and Loss Account for the year ended on that date and also the cash flow statement for the year ended on that date. 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 presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 and the Companies (Auditors Report) (Amendment) Order, 2004 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit ;
 - (ii) 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 those books.
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub-section(3C) of Section 211 of the Companies Act, 1956, to the extent applicable;
 - (v) Based on the representations made by the Directors and taken on record by the Board of Directors of the Company and the information and explanations given to us, none of the Directors is, as at 31st March 2010, prima-facie disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
 - (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - (c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For A N P ASSOCIATES
Chartered Accountants

CHENNAI.
Dated: 11.08.2010

AMISH N PATEL
PROPRIETOR
Membership No.27859

M/s A.N.P. Associates,

Chartered Accountants, B-7, Adinath Complex, 2nd floor, 91, Govindappa Naicken St., Chennai - 600 001.

Annexure Referred to in Paragraph 3 of the Report of Even date

1. In respect of Fixed Assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
 - b. Some of the fixed assets were physically verified during the year by the management in accordance with the programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - c. As per the records and information and explanations given to us, fixed assets disposed off during the year were not substantial
2. In respect of its inventories:
 - a. As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - b. In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and nature of its business.
 - c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
3. During the year, the Company has neither granted nor taken loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanation given to us, there is adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of the goods and services. Based on the audit procedure performed and on the basis of information and explanations provided by the management, during the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
5. According to the information and explanations, provided by the management and based upon audit procedures performed, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section; and the transactions made in pursuance of such contracts or arrangements (exceeding the value of Rs.5 lacs in respect of each party during the financial year) have been made at prices which are generally reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted deposits from the public.
7. The Company has no formalized internal audit system but its internal control system is commensurate with the size and nature of its business.
8. To the best of our knowledge and as explained to us, the Central Government has not prescribed maintenance of cost records under Clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the products of the Company.
9. (a).The Company is regular in depositing with appropriate authorities undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it. There are no arrears of outstanding statutory dues as at 31st March 2010, for a period of more than six months from the date they become payable.
(b).According to the information and explanations given to us, there are no disputed amounts that are unpaid in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess as at 31st March 2010.
10. The Company has neither accumulated losses at the end of the financial year nor has it incurred cash losses, both, in the financial year under report and the immediately preceding financial year.
11. On the basis of the records examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has not obtained any borrowings from any financial institution or by way of debentures.
12. As explained to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or any other securities.
13. The provisions of any special statute applicable to chit funds/Nidhi/mutual benefit fund/society do not apply to the Company.
14. The Company has made certain investments in shares and in the derivatives instruments of commodities and foreign currencies. Proper investment records have been maintained by the Company. Transactions have been regularly updated as and when taken place. All investments of the Company are held in its own name.
15. The Company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year.
16. The Company has not availed any Term Loan during the year.
17. According to the information and explanations given to us, on an overall examination of the Balance Sheet of the Company, funds raised on short term basis have prima facie, not been used during the year for long term investment. No long term funds have been used to finance short term assets other than temporary deployment pending application.
18. During the year, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956..
19. During the year, the Company has not raised any money by way of public issue of shares or debentures.
20. Based upon the audit procedures performed for the purpose of reporting the true and fair view on the financial statements and the informations and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For A N P ASSOCIATES
Chartered Accountants

AMISH N PATEL
PROPRIETOR
Membership No.27859

CHENNAI.
Dated: 11.08.2010



RASI ELECTRODES LIMITED

BALANCE SHEET AS ON 31ST MARCH 2010

	SCH NO.	AS ON 31.03.2010 AUDITED	AS ON 31.03.2009 AUDITED
SOURCES OF FUNDS			
1. Shareholders funds			
a. Equity Capital	1	47600000	47600000
b. Reserves & Surplus	2	23863704	14980396
c. Deferred tax liability	3	-22245	178026
2. Loan funds			
a. Secured loans	4	28912125	25472295
b. Unsecured loans		85000	85000
Total		100438584	88315717
APPLICATION OF FUNDS			
1. Fixed Assets			
a. Gross Block		39693633	38352316
b. Depreciation		21310462	19570665
c. Net Block	5	18383171	18781651
Building Work-in progress		997675	Nil
2. Investments	6	320300	320300
3. Current Assets, Loans & Advances			
a. Current Assets:	7	75249323	69614617
b. Loans & Advances		18859142	13394114
(A)		94108465	83008731
Less: Current Liabilities & Provisiosn	8		
a. Current Liabilities		4204584	7627532
b. Provisions		9166443	6167433
(B)		13371027	13794965
Net Current Assets (A)-(B)		80737438	69213766
4. Miscellaneous Expenditure		Nil	Nil
Total		100438584	88315717
Notes on Accounts	16		

As per our report attached
for ANP ASSOCIATES
Chartered Accountants

for and on behalf of the Board of Directors

AMISH N PATEL
Proprietor
Chennai
Dated: 11th August 2010

B. POPATLAL KOTHARI
Chairman & Managing Director

B. RANJIT KUMAR KOTHARI
Director



RASI ELECTRODES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	SCH NO.	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
INCOME			
Gross Sales		190564405	188179675
Less: Excise Duty		10013814	14384045
Net Sales	9	180550591	173795630
Other Income	10	1859047	1326394
Total (A)		<u>182409638</u>	<u>175122024</u>
EXPENDITURE			
Raw Materials Consumed	11	87942234	93624895
Purchases-finished goods		47160744	48226212
Manufacturing Expenditure	12	8138422	7226388
Personnel Expenditure	13	4066033	4104958
Administration Expenditure	14	10688183	6554765
Financial Expenditure	15	3136880	3815036
		<u>161132496</u>	<u>163552254</u>
Adjustment for Stock of Finished Goods		812243	-1676630
Total (B)		<u>161944739</u>	<u>161875624</u>
Gross Profit before adjustments (A) - (B)		20464899	13246400
Depreciation	5	2300263	2286823
Amortisation of Misc. Expenditure		Nil	Nil
PROFIT BEFORE TAX		18164636	10959577
Provision for Tax		6381962	3872080
Deferred Tax - Current		-200271	-147228
Provision for Fringe Benefit Tax		Nil	107768
Provision for tax for earlier years		315156	303072
PROFIT AFTER TAX		<u>11667789</u>	<u>6823885</u>
Profit Brought Forward		8281561	5685261
Profit available for Appropriation		19949350	12509146
Provision for Dividend (incl div.tax)		2784481	2227585
Transfer to General Reserve		2500000	2000000
BAL. C/O TO BALANCE SHEET		14664869	8281561
Earnings per share (Basic & Diluted)		2.451	1.434
Notes on Accounts	16		

As per our report attached
for ANP ASSOCIATES
Chartered Accountants

for and on behalf of the Board of Directors

AMISH N PATEL
Proprietor
Chennai
Dated:11th August 2010

B. POPATLAL KOTHARI
Chairman & Managing Director

B. RANJIT KUMAR KOTHARI
Director



RASI ELECTRODES LIMITED
Cash Flow Statement for the year ended 31st March 2010

	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and Extraordinary items	18165714	10959577
Adjustment for :		2286823
Depreciation and deferred revenue expenditure	2300261	3815036
Interest paid	3136880	-1303541
Interest received	-1855214	-22853
(Profit)/loss on sale of fixed assets	113720	15735042
Operating profit before working capital changes	21861361	
Adjustments for:		
Inventories	3278424	-5831871
Sundry debtors	-7703687	-2549493
Loans and advances	-5466106	5099976
Current liabilities	-3422948	-2519687
Cash generated from operations	8547044	9933967
Less: Interest paid	3136880	3815036
Cash flow before extraordinary items	5410164	6118931
Less: Extraordinary items	Nil	-303072
Net Cash from Operating Activities (A)	5410164	5815859
B. CASH FLOW FROM INVESTMENT ACTIVITIES:		
Purchase of fixed assets	-2736501	-4047967
Capital work in progress	-997675	Nil
Interest received	1855214	1303541
Sale of fixed assets	721000	145500
Net cash used in investing activities (B)	-1157962	-2598926
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	3439830	5575237
Payment of deposits	Nil	17000
Payment of taxes including dividend & div tax	-6482589	-8674403
Net cash used in financing activities (C)	-3042759	-3082166
D. Net Increase in Cash & Cash Equivalents (A) + (B) + (C) = (D)	1209443	134767
Cash & Cash equivalents as at 01.04.2009	1681316	1546549
Add: Net Increase in Cash & Cash Equivalents	1209443	134767
Cash & Cash Equivalents as on 31.03.2010	2890756	1681316

As per our report attached
for ANP ASSOCIATES
Chartered Accountants

for and on behalf of the Board of Directors

AMISH N PATEL
Proprietor
Chennai
Dated: 11th August 2010

B. POPATLAL KOTHARI
Chairman & Managing Director

B. RANJIT KUMAR KOTHARI
Director

SCHEDULES

	AS ON 31.03.2010 Rs.	AS ON 31.03.2009 Rs.
SCHEDULE 1		
SHARE CAPITAL		
Authorised 50,00,000 equity shares of Rs 10 each	<u>50000000</u>	<u>35000000</u>
Issued, Subscribed and Paid-up 47,60,000 (34,00,000) equity shares of Rs 10 each fully paid (Out of the above 13,60,000 equity shares have been issued as fully paid bonus shares) by capitalisation of General Reserves)	<u>47600000</u>	<u>47600000</u>
SCHEDULE 2		
RESERVES & SURPLUS		
Profit & Loss Account	14664869	8281561
Investment Subsidy	1298835	1298835
General Reserve	<u>7900000</u>	<u>5400000</u>
	<u>23863704</u>	<u>14980396</u>
SCHEDULE 3		
DEFERRED TAX		
Deferred Tax Provision for Earlier Years	178026	325254
Deferred Tax Provision for Current Year	<u>-200271</u>	<u>-147228</u>
	<u>-22245</u>	<u>178026</u>
SCHEDULE 4		
SECURED LOANS		
From Bank (Cash Credit & Book Debts) (Secured by hypothecation of rawmaterials, Work-in-Progress, Finished Goods and a part of Plant & Machinery and additionally secured by equitable mortgage of title deeds of the land and personal guarantees of Promoter Directors)	28256459	24088723
Vehicle Loans (Secured by hypothecation of the respective vehicles financed and guaranteed by a Director)	<u>655666</u>	<u>1383572</u>
	<u>28912125</u>	<u>25472295</u>

SCHEDULE 5 - FIXED ASSETS & DEPRECIATION

SL. No.	Particulars	Cost as on 01.04.2009	Additions during the year	Deletions during the year	Total cost as on 31.03.2010	Preoperative exp. capitalised W/o till 31.03.2010	Total Depn. W/o till 31.03.2009	Depn. on Sold / adj during the year	Depn. provided during the year	Total depn. W/o till 31.03.2010	Wdv. as on 31.03.10
1.	Land	5527082	Nil	Nil	5527082	Nil	Nil	Nil	Nil	Nil	5527082
2.	Buildings	6447988	154159	Nil	6602147	187972	3514147	Nil	324600	3838747	2951372
3.	Machineries	11122613	1325737	Nil	12448350	601972	7681644	Nil	738362	8420006	4630316
4.	Lab equipments	1974830	Nil	Nil	1974830	Nil	1492860	Nil	67042	1559902	414928
5.	Sparees & Tools	2490834	263344	Nil	2754178	Nil	1529131	Nil	168208	1697339	1056689
6.	Electrical equipments	629942	413922	Nil	1043864	Nil	443547	Nil	63305	506852	537012
7.	Vehicles	6455890	346270	1296184	5505976	Nil	31560010	524844	745825	2549114	2956862
8.	Office equipments	1289417	194789	44000	1440206	Nil	724207	29833	88359	641375	798831
9.	Electrical Typewriters	106457	19950	Nil	126407	Nil	60431	Nil	8542	68973	57434
10.	Generators	439663	Nil	55000	384663	Nil	270574	5789	21549	297912	86751
11.	Weighting scale	92449	Nil	Nil	92449	Nil	35728	Nil	7890	43618	48831
12.	Furniture & Fittings	974807	18330	Nil	993137	Nil	656870	Nil	65902	722772	270365
13.	Patents Account	10400	Nil	Nil	10400	Nil	5516	Nil	679	6195	4205
	Total	37562372	2736501	1395184	38903689	789944	19570665	560466	2300263	21310462	18383171
14.	Previous Year	33994941	4047967	480536	37562372	789944	17641730	357889	2286824	19570665	18781651

	AS ON 31.03.2010 Rs.	AS ON 31.03.2009 Rs.
SCHEDULE 6		
INVESTMENTS		
QUOTED INVESTMENTS		
253 equity shares of Dena Bank	6831	6831
54 equity shares of Reliance Inds.Ltd	33449	33449
500 equity shares of Vesuvius India Ltd	135092	135092
Other investments (resorts & country club)	144928	144928
(Market value of quoted investments Rs.270721)		
	<u>320300</u>	<u>320300</u>
SCHEDULE 7		
CURRENT ASSETS		
Sundry Debtors		
- Over six months (Considered good)	2962732	4124167
-Other debts (Considered good)	42034081	33168959
Stock-in trade	27361751	30640175
(As verified, valued & certified by management)		
Cash & Bank balances		
Cash on hand	331645	816275
With scheduled banks (in current accounts)	502233	133852
With scheduled banks (in FD accounts)	2056881	731189
	<u>75249323</u>	<u>69614617</u>
LOANS & ADVANCES		
Unsecured & considered good		
Advances recoverable in cash or in kind	9952967	6411733
Balance with Excise Authorities	130523	176296
Balance with Custom Authorities	1264431	2325290
Balance with Service tax Authorities	2055	1236
Custom Duty Claimble	1407418	Nil
Depb License Credit	118814	Nil
Tax deducted at source	134102	172583
Deposits	1348832	1306976
Advance Tax (Including Income Tax)	4500000	3000000
	<u>18859142</u>	<u>13394114</u>
SCHEDULE 8		
CURRENT LIABILITIES & PROVISIONS		
Sundry creditors		
Creditors for expenses	1398666	5081478
Unclaimed dividend	954175	652538
Other liabilities	218763	157111
Provision for gratuity	548731	756480
	<u>1084249</u>	<u>979925</u>
	4204584	7627532
PROVISIONS		
Provision for tax	6381962	3872080
Provision for FBT	Nil	67768
Proposed Dividend (Incl Div Tax)	2784481	2227585
	<u>9166443</u>	<u>6167433</u>
SCHEDULE 9		
SALES		
Sales (Nett of Excise Duties)	180550591	173795630
SCHEDULE 10		
OTHER INCOME		
Interest from Banks	Nil	Nil
Interest from others	882791	615733
Dividend received	5090	3907
Rebate & Discount	578122	538228
Duty Draw back received	319304	Nil
Other Income	69907	145673
Profit on sale of fixed assets	3833	22853
	<u>1859047</u>	<u>1326394</u>



	AS ON 31.03.2010 Rs.	AS ON 31.03.2009 Rs.
SCHEDULE 11		
RAW MATERIALS CONSUMED		
Opening stock		
Raw materials	9773000	5317346
Packing materials	528666	829079
(A)	<u>10301666</u>	<u>6146425</u>
Add: Purchases		
Raw materials	81951550	95405810
Packing materials	3524503	2374326
(B)	<u>85476053</u>	<u>97780136</u>
Less: Closing stock		
Raw materials	7117475	9773000
Packing materials	718010	528666
(C)	<u>7835485</u>	<u>10301666</u>
Consumption (A) + (B) - (C)	<u>87942234</u>	<u>93624895</u>
SCHEDULE 12		
MANUFACTURING EXPENDITURE		
Factory wages & salaries	4008771	2834883
Wire drawing charges	309108	651449
Cartage, coolie and freight	599712	662637
Factory expenses	3220831	3077419
	<u>8138422</u>	<u>7226388</u>
SCHEDULE 13		
PERSONNEL EXPENDITURE		
Salaries, allowances & perquisites	3295488	3236123
Staff welfare expenses	336227	280682
Contribution to provident fund & other funds	316148	313957
Provision for gratuity	118170	274196
	<u>4066033</u>	<u>4104958</u>
SCHEDULE 14		
ADMINISTRATION EXPENDITURE		
Advertisement	146484	177521
Auditors remuneration	40525	34975
Bank charges/commission	684206	689613
Books & Periodicals	4272	37107
Commission, Brokerage&Discount	1434175	639399
General expenses	657608	690635
Insurance	213496	285636
Approval charges	517939	89741
Postage & telegram	94157	75359
Printing & stationeries	271625	221178
Rent, rates & taxes	776640	831467
Listing fees & custodial fees	25351	20927
Telephone expenses	227597	211846
Travelling expenses	204090	269554
Vehicle maintenance(car)	215561	132489
Vehicle maintenance(others)	767767	620795
Business promotion expenses	2044834	711120
Professional charges	634939	423100
Sitting Fees	32000	39000
Donation	44000	3000
Subscriptiuon charges	6256	4437
Cartage, coolie and freight outwards	143921	114640
Electricity charges	50062	47592
Loss on sale of fixed assets	117552	Nil
Bad debts	1300036	153634
Registrar charges	33090	30000
	<u>10688183</u>	<u>6554765</u>

	AS ON 31.03.2009 Rs.	AS ON 31.03.2008 Rs.
SCHEDULE 15		
INTEREST & OTHER FINANCE COSTS		
Interest & finance charges	<u>3136880</u>	<u>3815036</u>

SCHEDULE 16

NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The Company prepares its financial statements under the historical cost convention in accordance with generally accepted accounting principles (GAAP) and provisions of the Companies Act, 1956 as adopted consistently by the Company.

1.2 INCOME & EXPENDITURE

All Income and Expenditure having a material bearing on the Financial Statement are accounted for on accrual basis.

1.3 SALES

Sales comprises of Sale of Goods net of sales tax.

1.4 RETIREMENT BENEFITS

Contribution to Provident fund is made monthly, at a predetermined rate, to the provident fund organisation and accounted on an accrual basis. The gratuity is evaluated at the year end as provided under the payment of the Gratuity Act.

1.5 FIXED ASSETS & DEPRECIATION

Fixed Assets are stated at cost of acquisition minus the accumulated depreciation. Direct costs are capitalised till the assets are ready to be put to use. These costs include financing costs relating to specific borrowing attributable to fixed assets and Depreciation has been provided as per rates specified in the Companies Act on written down value.

1.6 INVESTMENT

Investments being long term investments are valued at cost.

1.7 CURRENT ASSETS

Inventories are certified by a Director and are valued at Cost or Market price whichever is lower. All accounts receivable are unsecured and are considered good.

1.8 CONTINGENT LIABILITIES

Contingent Liabilities are generally not provided for in the accounts and shown separately in Notes on accounts.

1.9 DERIVATIVE INSTRUMENTS

Derivative transactions of commodities and foreign exchange contracts are accounted for on their settlement and accordingly the gains / losses arising there from are recognized in the Profit & Loss Account as and when the settlement takes place in accordance with the terms of the respective contracts. The open positions outstanding as on the end of the year is shown as contingent liability not provided for in the books of accounts.

2. Out of the total amount shown under sundry creditors, an amount of Rs 7,93,521 is due to two small scale industrial unit which exceeds rupees one lakh and which are due for more than 30 days. Names of the small scale industrial undertakings (as compiled by the Company based on the information available and relied upon by the Auditors) to whom the Company owe a sum which is outstanding for more than 30 days are as follows:

Name of the SSI	Amount outstanding
Sathya Packaging	Rs.124842
Kamman Corporation	Rs.668679
Total	Rs.793521

3. The details of amount outstanding in the dividend account as on 31st March 2010 representing unclaimed dividend declared in the earlier years are furnished below:

Unclaimed dividend pertaining for the year ending	Amount unclaimed as on 31.03.2010
31 st March 2006	Rs.39567
31 st March 2007	Rs.38739
31 st March 2008	Rs.77535
31 st March 2009	Rs.62922

6. Directors' Remuneration

Managing Director's Remuneration	YE 31.03.2010	YE 31.03.2009
Salary	1200000	1308500
Perquisites	16176	24816
Total	1216176	1333316
Other Directors remuneration	Nil	Nil

The above managerial remuneration has been paid as minimum remuneration in the absence or inadequacy of profits as approved by the shareholders.

7. Auditors' Remuneration:

Auditors remuneration	YE 31.03.2010	YE 31.03.2009
Audit Fees	20000	17500
Tax Audit Fees	12000	10000
Certification fees	6000	6000
Reimbursement of expenses	2525	1475
TOTAL	40525	34975

8. The details of contingent liability not provided for in the books of accounts as on 31st March 2010 are as follows:

Details of contingent liability	Amount Rs
Derivative contract open position with NCDEX Ltd (Steel Long Futures – 200 MTs)	58,56,000
Derivative contract open position with NSE Ltd (Us Dollar Futures – USD 100000)	45,14,000
Forward Contract open position with Dena Bank (US Dollars – USD 40000)	18,05,600
Letters of Credit	49,78,423

9. Related Party Transactions

1. Relationships

- a. Key Management Personnel
 - B. Popatlal Kothari - Managing Director
 - P. Kashyap Kothari – Factory Manager

3. Transactions carried out with related parties referred to in 1 above, in ordinary course of business:

Name of the related party	Amount Rs.	Nature of transaction
Mr B Popatlal Kothari	1216176	Remuneration (including perquisites)
Mr. B Popatlal Kothari	240000 240000 700000	Rent for Office Premises Rent for Godown Rental Advance for Office Premises and Godown
Mr P Kashyap Kothari P Nitya Kothari	307500 264000 300000	Remuneration Rent for Godown Rental Advance for Godown

11. The Company operates in a single segment and as such disclosures under segmental reporting is not applicable.

12. As per the requirements of AS-22, the company has accounted the cumulative net deferred tax asset in respect of timing differences between book and tax profit as on 31st March 2010 amounting to Rs 22245 and deferred tax (accrual) for the current year amounting to Rs. 200271 in the Profit and Loss Account.

13. Licenced and installed capacity		2009-2010		2008-2009	
Welding Electrodes:					
Licenced capacity					
		Not Applicable			
Installed capacity		3300.000 Mts		3300.000 Mts	
Actual Production		2484.609 Mts		1983.758 Mts	
14. Quantitative particulars					
		Year ended 31.3.10		Year ended 31.3.09	
FINISHED GOODS	UM	Qty	Value	Qty	Value
Opening Stock	Kgs	53445	2678089	28293	1449444
Production	Kgs	2484609	126499819	1983758	116143258
Sales & Samples	Kgs	2459017	125646640	1958606	114914613
Closing Stock	Kgs	79037	3531268	53445	2678089
RAW MATERIALS (ms wire & wire rod)					
Opening Stock	Kgs	136636	4926953	10836	1066304
Production	Kgs	1888979	61469104	1614402	69925293
Consumption	Kgs	1874760	60772730	1488602	66064644
Closing Stock	Kgs	150855	5623327	136636	4926953
RAW MATERIALS (flux materials)					
Opening Stock	Kgs	113883	4846047	59623	4251042
Production	Kgs	658077	20482446	638946	25480518
Consumption	Kgs	722812	23834345	584686	24885513
Closing Stock	Kgs	49148	1494148	113883	4846047
FINISHED GOODS					
CCMS Wire, Flux wire & Filler wire					
Purchases (Imported) & Local	Kgs	589630	28592790	769742	46066527
Closing Stock	Kgs	145378	7420264	160749	4846047
MIG MAG MACHINES/wheels transformers					
Purchases (Imported) & Local	Nos	79559	2704003	48001	2159685
Closing Stock	Nos	42834	1956269	47051	2117595
RUTILE – Trading					
Purchases	Kgs	568000	15863951	Nil	Nil
Closing Stock	Kgs	251020	6618465	233100	6215900
Imports (CIF Value)			53489938	61237015	49172229
Expenditure in foreign currency			Nil		65293
Earnings in foreign currency			4680741		1889134

15. The figures have been rounded off to the nearest rupee.

16. The figures pertaining to the previous year have been regrouped/reclassified to conform to current year's classification.

As per our report attached
for ANP ASSOCIATES
Chartered Accountants

for and on behalf of the Board of Directors

AMISH N PATEL
Proprietor
Chennai
Dated: 11th August 2010

B. POPATLAL KOTHARI
Chairman & Managing Director

B. RANJIT KUMAR KOTHARI
Director

**INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956.
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.**

I.Registration Details:

Registration No.	1 8 2 6 9 8 0	State Code	1 8
Balance Sheet Date	3 1 0 3 2 0 1 0		
	Date Month Year		

II.Capital Raised during the year (Rs. in lacs)

Public Issue	N I L	Right Issue	N I L
Bonus Issue	N I L	Private Placements	N I L

III.Position of Mobilisation and Deployment of Funds (Rs.in '000)

Total Liabilities	1 0 0 4 3 9	Total Assets	1 0 0 4 3 9
Paid up Capital	4 7 6 0 0	Reserves & Surplus	2 3 8 6 4
Secured Loans	2 8 9 1 2	Unsecured Loans	8 5
Deferred tax liability	- 2 2		
Application of Funds			
Net Fixed Assets	1 9 3 8 1	Investments	3 2 0
Net Current Assets	8 0 7 3 8	Misc. Expen.	N I L
Accumulated Losses	N I L		

IV.PERFORMANCE OF THE COMPANY (RS.IN '000)

Turnover	1 8 0 5 5 1	Total Expenditure	1 6 2 3 8 5
Profit Before Tax	1 8 1 6 6	Profit after Tax	1 1 6 6 9
Earnings per share (Rs)	2 . 4 5	Dividend Rate %	5

V.Generic Names of three Principal Products/Services of the Company (as per monetary terms)

Item Code - No. **8 3 1 1 . 0 0**

Product Description - WELDING ELECTRODES

As per our report attached
for ANP ASSOCIATES
Chartered Accountants

for and on behalf of the Board of Directors

AMISH N PATEL
Proprietor
Chennai
Dated:11th August 2010

B. POPATLAL KOTHARI
Chairman & Managing Director

B. RANJIT KUMAR KOTHARI
Director



RASI ELECTRODES LIMITED

Registered Office : 44/4, Strotten Muthia Mudali Street, Chennai - 79.

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

I hereby record my presence at the Sixteenth Annual General Meeting of the Company being held at HOTEL ABU PALACE, No.926, Poonamallee High Road, Chennai - 600 084 on Monday the 27th september-2010 at 9.00 a.m.

Full name of the Member

Full name of Proxy

Folio No. No.of Shares held.....

Client ID No..... DP ID No.....

.....

Member's Signature

.....

Proxy's Signature

Notes : Members attending the meeting in Person / Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

RASI ELECTRODES LIMITED

Registered Office : 44/4, Strotten Muthia Mudali Street, Chennai - 600 079.

PROXY FORM

I/We

being a Member(s) of **RASI ELECTRODES LIMITED** hereby appoint

..... of.....

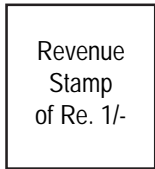
or failing him.....

at my / our Proxy to attend and vote for me / us on my / our behalf at the Sixteenth Annual General Meeting of the said Company to be held on Monday 27th September 2010 at 9.00 a.m. at HOTEL ABU PALACE, No.926, Poonamallee High Road, Chennai - 600 084 and at any adjournment thereof Signed thisday of2010

Address Signature.....

Folio No. No.of Shares held

Client ID No..... DP ID No.....



N.B. (i) This Proxy must be deposited at the Registered Office of the Company, not less than 48 hours before the time fixed for holding the meeting.

(ii) Proxy need not be a member.