



RASI ELECTRODES LIMITED

BOARD OF DIRECTORS

Mr. B.POPATLAL KOTHARI,
Chairman and Managing Director

Mr. B.RANJIT KUMAR KOTHARI
Director

Mr. HITESH M DHARAMSHI
Director

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 Seventeenth Annual General Meeting of the Company will be held at 9.00 A.M. on Friday, the 30th September, 2011 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 2011 and the Profit & Loss Account for the year ended 31st March 2011 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 Ajay Goyal who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in the place of Mr N Prakash Kumar 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.

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

CHENNAI
DATED: 31st May 2011

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 183(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 Thursday, the 15th September 2011, to Friday, the 30th September 2011 (both days inclusive). The payment of dividend that may be declared by the shareholders at the 17th AGM will be made on or after 10th October 2011 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 2011;
 - 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 2011.



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 Ajay Goyal	Mr Prakash Kumar
Qualification	B.Com., MBA	M.A., B.L
Date of Birth	14th October 1975	17th May 1954
Date of Appointment	15th December 2005	4th June 2007
Nature of expertise in specific functional areas	Experience in Trading, in FMCG Products, International Trade, Import & Export.	Specialised in Corporate Laws, Commercial Laws and Legal Consultancy services.
Names of other Companies in which they are Directors	Nil	Nil
Names of other Companies in which they are Members of Committees of the Board	Nil	Nil



RASI ELECTRODES LIMITED

DIRECTORS' REPORT

Dear Shareholder,

Your Directors have pleasure in submitting the 17th Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2011.

FINANCIAL RESULTS

The Financial Results for the year ended 31st March 2011 is given below :

	Year Ended 31.03.2011 Rs.	Year Ended 31.03.2010 Rs.
Net sales	210815821	180550591
Other Income	2087581	1859047
Total (A)	212903402	182409638
Total Expenditure	186073101	158807859
Profit before interest & depreciation	26830301	23601779
Interest & financial charges	3833396	3136880
Depreciation	2149439	2300263
Profit before tax	20847466	18164636
Provision for tax incl tax for earlier years	7178512	6697118
Deferred tax – current	-102875	-200271
Profit after tax	13771829	11667789
Profit brought forward	14664869	8281561
Transfer to General Reserve	2500000	2500000
Proposed Dividend (5%)	2380000	2380000
Dividend tax	395288	404481
Balance carried to Balance sheet	23161410	14664869

DIVIDEND

Your Directors are pleased to recommend a dividend of Re.0.50 per equity share of Rs 10 each (previous year Re.0.50) for the year ended 31st March 2011.

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 specialty 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 2011, the overall turnover of the Company was Rs 2108.16 lakhs as against Rs 1805.51 lakhs achieved during the last year resulting in an increase in the turnover to the extent of 16.76% when compared with the previous year. The production of welding electrodes was 2627.508 MTS as against 2484.609 MTS achieved during the previous year. The traded products constituted a significant portion of the Company's turnover during the year ended 31st March 2011.

During the year ended 31st March 2011, the profit before tax was Rs 208.47 (previous year Rs 181.65) lakhs and after making a provision for tax amounting to Rs 70.76 (previous year Rs 64.97) lakhs (including provision for deferred tax), the profit after tax was Rs 137.72 (previous year Rs 116.68) lakhs. The Profit after tax has increased by 18.03% during the year ended 31st March 2011 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.715.10 lacs during the year as against Rs.549.04 lacs achieved during the previous year.

Your Directors' are happy to inform you that the Company has established a manufacturing plant of capacity 330 mts pa for producing CCMS wire in order to attain partial self sufficiency and to cater to public sector units who insist upon the Company having its own manufacturing facility. The Company will be establishing a larger plant once the production and quality parameters for producing CCMS wire are satisfactorily achieved.

C. Segmentwise 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

Inflationary pressure was prevalent throughout the year. The prices of steel and rutile which constitutes major raw material consumed by the Company is very much volatile. The profitability of the Company is also likely to be impacted by currency fluctuations.

E. Prospects and Outlook

Your brand of your Company's products is well established in the market. It is the most sought after brand in certain segments of the market. Your Company is also pursuing active plans to develop newer categories of welding electrodes and to increase its area of operations.

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 is actively planning for establishing a larger manufacturing facility for manufacture of CCMS wire so that it could meet its market requirements out of its own production.

Your Company has made some modest exports 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 Ajay Goyal and Mr N Prakash Kumar, 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 2011 is annexed to this report.

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

Yours 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:31.05.2011

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 31.03.2011	Year ended 31.03.2010
1	Electricity:			
A	Purchased:			
	Units	Kwh	416748	383821
	Total amount	Rs	2112438	1908672
	Rate/unit	Rs	5.07	4.97
B	Own generation			
(i)	Through diesel generator			
	Units	Kwh	13140	10200
	Units per litre of diesel oil	Kwh	7.13	5.55
	Cost per unit	Rs	7.06	4.71
(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	163.61	158.58
	Furnace oil		Nil	Nil
	Coal		Nil	Nil
	Others		Nil	Nil

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.	58766154	53489938
Total Foreign Exchange Earnings	Rs.	13912279	4680741

M/s A.N.P. Associates,

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

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE.

To the Members of M/s Rasi Electrodes Limited

We have examined the compliance of the conditions of Corporate Governance by Rasi Electrodes Limited for the year ended 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the Company, with the Stock Exchange in India.

The compliance of the conditions of corporate governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on certification of Corporate Governance, issued by The Institute of Chartered Accountants of India and was limited to review of procedures and implementations 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, in all material respects, complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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
FRN: 009004 S

AMISH N PATEL,
Proprietor
Membership No.027859

Chennai
Dated: 31st May 2011



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 2011) 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 2011, 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 Director ship held	Member of Committee*
1.Mr B Popatlal Kothari, Chairman & Managing Director	Promoter	Related	Executive/Non-independent	9	Yes	1	Nil
2.Mr. Ranjit Kumar Kothari, Director	Promoter	Related	Non-Executive /Non-independent	7	Yes	1	Nil
3.Mr Hitesh M Dharamshi, Director	Non-Promoter	Not Related	Non-Executive /Independent	6	Yes	Nil	Nil
4.Mr Ajay Goyal, Director	Non-Promoter	Not Related	Non-Executive/Independent	6	No	Nil	Nil
5.Mr N Prakash Kumar	Non-Promoter	Not Related	Non Executive/Independent	9	Yes	Nil	Nil

- During the year ended 31st March 2011, Nine (9) Board Meetings were held on 25th May 2010, 10th June 2010, 11th August 2010, 30th September 2010, 12th November 2010, 7th January 2011, 11th February 2011, 28th February 2011 and 28th March 2011.
- 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 27th September 2010 and it was attended by Mr Hitesh M Dharamshi, the Chairman of the Audit Committee.
- v. The Audit Committee of Directors met four (4) times during the year on 25th May 2010, 11th August 2010, 12th November 2010 and 11th February 2011.
- 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	4	4
Mr Ranjit Kumar Kothari	Non-Independent, Non-Executive	4	4
Mr Ajay Goyal	Independent, Non-Executive	4	4

IV. REMUNERATION COMMITTEE

- i. The Remuneration Committee comprises of the following Directors:

SNO	NAME OF THE DIRECTOR	CATEGORY	No.of meetings held	No.of meetings attended
1	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)	1	1
2	Mr Ranjit Kumar Kothari	Non-Independent, Non-Executive	1	1
3	Mr Prakash Kumar	Independent, Non-Executive	1	1

- 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 once during the year on 1st April 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 2011 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	1698347	Nil	Nil
2.Mr Ranjit Kumar Kothari,	Director	Nil	Nil	11000
3.Mr Hitesh M Dharamshi	Director	Nil	Nil	10000
4.Mr Ajay Goyal	Director	Nil	Nil	10000
5.Mr N Prakash Kumar	Director	Nil	Nil	9000

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

Name	Designation	Equity shares held
1.Mr B Popatlal Kothari	Chairman & Managing Director	598902
2.Mr Ranjit Kumar Kothari,	Director	233100
3.Mr Hitesh M Dharamshi	Director	Nil
4.Mr Ajay Goyal	Director	4200
5.Mr N Prakash Kumar	Director	Nil

ix. 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	7	7
Mr B Ranjit Kumar Kothari	Non-Executive, non-Independent	7	7
Mr Prakash Kumar	Executive, Independent	7	7

ii. The Committee met seven (7) times during the year on 31st May 2010, 15th June 2010, 30th June 2010, 31st August 2010, 15th December 2010, 17th January 2011 and 15th February 2011.

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	8	8	Nil

VI. GENERAL BODY MEETINGS

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

YEAR	LOCATION	DATE	TIME
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.
2009-2010	HOTEL ABU PALACE, No.926, Poonamallee High Road, Chennai-600 084	27.09.2010	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
24.09.2008	Nil
25.09.2009	Nil
27.09.2010	i. Re-appointment of managing Director for a further period of three years up to 12.02.2013 ii. Commencement of new business as listed under clause III.C.(1). Of the existing Memorandum of Association of the company as required u/s 149(2A) of the companies Act, 1956.

iii. No resolution was passed through postal ballot during the year ended 31st March 2011.

iv. No resolution is proposed to be passed through postal ballot during the year ended 31st March 2012..

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 :

A penalty of Rs 250,000 was levied on the Company by SEBI vide the Order passed by the Adjudicating Officer for not putting in place the systems and procedures for implementation of the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992. Your Company will be paying the penalty within the stipulated time in the Order. Your Company has reviewed it and also put in place the necessary systems required for effective implementation of the insider trading regulations.

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 2011 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 2011.
- 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 behavior. 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.
- viii. 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.	17th Annual General Meeting	
	Date	30th September 2011
	Time	9.00 A.M.
	Venue	Hotel Abu Palace, 926, Poonamallee High Road Chennai-600084
ii.	Financial year:	
	Year ending	31st March 2011
	AGM in	30th September 2011
	Dividend payment	The dividend, if declared, shall be paid / credited on or after 10th October 2011
iii.	Date of book closure	From Thursday 15th September 2011 to Friday, the 30th September 2011 (both days inclusive)
iv.	Listing on Stock Exchanges	Bombay Stock Exchange Limited
v.	Stock code ISIN No.	531233 1NE822D01013
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 2010	26.50	17.20	114147	684
May 2010	24.40	17.00	59989	420
June 2010	28.00	17.60	55003	312
July 2010	25.45	21.50	104848	372
August 2010	29.80	20.45	51227	365
September 2010	28.85	18.00	112360	684
October 2010	26.50	21.30	79125	326
November 2010	27.95	21.75	136540	484
December 2010	27.00	22.75	24985	175
January 2011	27.00	19.05	63351	135
February 2011	30.70	18.10	69884	253
March 2011	28.50	20.15	73207	153

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 4411281 equity shares representing 92.6740% 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 2011 is furnished below:

Distribution Range (No. of shares)	No. of shareholders	% of total	No. of equity shares held	% of total
1 – 500	933	63.2971	122932	2.5826
501 – 1000	269	18.2496	199354	4.1881
1001 – 2000	104	7.0556	148733	3.1246
2001 – 3000	27	1.8317	67012	1.4078
3001 – 4000	20	1.3568	71276	1.4973
4001 – 5000	13	0.8819	60378	1.2684
5001– 10000	27	1.8317	185900	3.9057
10001 & above	81	5.4956	3904415	82.0255
Total	1474	100.000	4760000	100.0000

b. Categories of shareholders as on 31st March 2011 is furnished below:

Category	No. of shares	Percentage
Promotersholdings	1205047	25.32
CorporateBodies	158039	3.32
Indian Public	3396914	71.36
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). 4411281 Equity shares of the Company representing 92.6740% of the Company's share capital are dematerialized as on March 31, 2011. 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, Raja Annamalai 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) We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2011 and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - 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 are 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
- Significant change in internal control during the year, wherever applicable;
 - 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
 - Instances of significant fraud of which we 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: 31st May 2011

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 2011.

CHENNAI
DATED: 31st May 2011

B POPATLAL KOTHARI
MANAGING DIRECTOR



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 2011**. 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:

1. 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.
2. 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 NINE (9) times during the year on 25th May 2010, 10th June 2010, 11th August 2010, 30th September 2010, 12th November 2010, 7th January 2011, 11th February 2011, 28th February 2011, and 28th March 2011. 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 15th September 2010 to 27th September 2010 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 2010 was held on 27th September 2010. 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 1st October 2010 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. 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 issued 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 2011 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 2011 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. The Company has been issued a show cause notice by the Adjudicating Officer appointed by Securities & Exchange Board of India for not complying with the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992, to which the Company has replied. There was / were no other 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 others 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: 31.05.2011

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 2011.**

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 31.3.2010 and Form 23ACA along with profit and Loss Account for the year ended 31 st March 2010	220(1)	Balance sheet as on 31.3.2010 duly adopted by the shareholders at their AGM held on 27.09.2010.	29.09.2010	Yes	NA
2	Form 20B along with Annual Return as on 27.09.2010	159	Annual Return as on the date of AGM held on 27.09.2010	10.11.2010	Yes	NA
3	Form 66 along with Compliance certificate	383A	Compliance Certificate issued by a practising Company Secretary for the year ended 31st March 2010	28.09.2010	Yes	NA
4	Form 8	125	Modification of Charge made on 02.03.2011 in favour of Dena Bank for securing the working capital limits of Rs.650 lakhs (enhanced from Rs 625 lakhs)	11.03.2011	Yes	NA
5	Form 23	192,269	Board resolution passed on 29.01.2010 for re-appointment of MD for a period of three years from 13.02.2010 to 12.02.2013	03.09.2010	No	Yes
6	Form 23	192,269	Special resolution passed by share holders at AGM held on 27.09.2010 for re-appointment of MD for a period of three years from 13.02.2010 to 12.02.2013	04.10.2010	Yes	NA
7	Form 25C	269, Schedule XIII	Return of Appointment of Managing Director	04.10.2010	Yes	NA



**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 2011, and the related Profit and Loss Account and 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 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, as amended by the Companies (Auditors Report) (Amendment) Order, 2004 (the Order) issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 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 2011, 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 2011
 - (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
FRN : 009004 S

CHENNAI.
Dated: 31.05.2011

AMISH N PATEL
PROPRIETOR
Membership No.027859

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

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 3 of the Auditor's report of even date to the Members of Rasi Electrodes Limited on the financial statements for the year ended 31st March 2011.

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 2011, 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 2011.
10. The Company has no accumulated losses as at March 31, 2011 and it has not incurred any cash losses in the financial year ended on that date or in 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 derivative 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. To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For A N P ASSOCIATES
Chartered Accountants
FRN : 009004 S

CHENNAI.
Dated: 31.05.2011

AMISH N PATEL
PROPRIETOR
Membership No.027859



RASI ELECTRODES LIMITED

BALANCE SHEET AS ON 31ST MARCH 2011

	SCH NO.	AS ON 31.03.2011 AUDITED	AS ON 31.03.2010 AUDITED
SOURCES OF FUNDS			
1. Shareholders funds			
a. Equity Capital	1	47600000	47600000
b. Reserves & Surplus	2	34860245	23863704
c. Deferred tax liability	3	-125120	-22245
2. Loan funds			
a. Secured loans	4	38552609	28912125
b. Unsecured loans		85000	85000
Total		<u>120972734</u>	<u>100438584</u>
APPLICATION OF FUNDS			
1. Fixed Assets			
a. Gross Block		44362515	39693633
b. Depreciation		<u>23394176</u>	<u>21310462</u>
c. Net Block	5	20968339	18383171
Building Work-in progress		403230	997675
2. Investments	6	320222	320300
3. Current Assets, Loans & Advances	7		
a. Current Assets:		89469723	75249323
b. Loans & Advances		26118593	18859142
(A)		<u>115588316</u>	<u>94108465</u>
Less: Current Liabilities & Provisions	8		
a. Current Liabilities		6480964	4204584
b. Provisions		9826409	9166443
(B)		<u>16307373</u>	<u>13371027</u>
Net Current Assets (A)-(B)		<u>99280943</u>	<u>80737438</u>
4. Miscellaneous Expenditure		Nil	Nil
Total		<u>120972734</u>	<u>100438584</u>
Notes on Accounts	16		

As per our report attached
for ANP ASSOCIATES
Chartered Accountants
FRN : 009004 S

for and on behalf of the Board of Directors

AMISH N PATEL
Proprietor
Membership No.027859
Chennai
Dated:31st May 2011

B. POPATLAL KOTHARI
Chairman & Managing Director

B. RANJIT KUMAR KOTHARI
Director



RASI ELECTRODES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	SCH NO.	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
INCOME			
Gross Sales		225292307	190564405
Less: Excise Duty		<u>14476485</u>	<u>10013814</u>
Net Sales	9	210815821	180550591
Other Income	10	<u>2087581</u>	<u>1859047</u>
Total (A)		<u>212903402</u>	<u>182409638</u>
EXPENDITURE			
Raw Materials Consumed	11	102359265	87942234
Purchases-finished goods		59558832	47160744
Manufacturing Expenditure	12	10601022	8138422
Personnel Expenditure	13	5543350	4066033
Administration Expenditure	14	13333921	10688183
Financial Expenditure	15	<u>3833396</u>	<u>3136880</u>
		195229786	161132496
Adjustment for Stock of Finished Goods		<u>-5323289</u>	<u>812243</u>
Total (B)		<u>189906497</u>	<u>161944739</u>
Gross Profit before adjustments (A) - (B)		22996905	20464899
Depreciation	5	2149439	2300263
Amortisation of Misc. Expenditure		Nil	Nil
PROFIT BEFORE TAX		20847466	18164636
Provision for Tax		7051121	6381962
Deferred Tax - Current		-102875	-200271
Provision for Fringe Benefit Tax		Nil	Nil
Provision for tax for earlier years		<u>127391</u>	<u>315156</u>
PROFIT AFTER TAX		<u>13771829</u>	<u>11667789</u>
Profit Brought Forward		14664869	8281561
Profit available for Appropriation		28436698	19949350
Provision for Dividend (incl div.tax)		2775288	2784481
Transfer to General Reserve		2500000	2500000
BAL. C/O TO BALANCE SHEET		23161410	14664869
Earnings per share (Basic & Diluted)		2.893	2.451
Notes on Accounts	16		

B. POPATLAL KOTHARI
Chairman & Managing Director

B. RANJIT KUMAR KOTHARI
Director



RASI ELECTRODES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

	YEAR ENDED 31.03.2011 RS.	YEAR ENDED 31.03.2010 RS.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and Extra-ordinary items	20847466	18165714
Adjustment for:		
Depreciation and deferred revenue expenditure	2149439	2300261
Interest paid	3833396	3136880
Interest received	-2053562	-1855214
(Profit)/Loss on sale of fixed assets	-12438	113720
Operating Profit before working capital changes	24764301	21861361
Adjustment for:		
Inventories	-7380421	3278424
Sundry Debtors	-1138438	-7703687
Loans and Advances	-7259451	-5466106
Current Liabilities	2276380	-3422948
CASH GENERATED FROM OPERATIONS	11262371	8547044
Less: Interest paid	3833396	3136880
Cash Flow before extraordinary items	7428975	5410164
Less: Extra-ordinary items	Nil	Nil
Net cash from operating activities (A)	7428975	5410164
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of fixed assets	-3756494	-2736501
Capital work in progress	-403230	-997675
Interest received	2053562	1855214
Sale of fixed assets	32078	721000
Net cash used in Investing activities (B)	-2074084	-1157962
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	9640484	3439830
Payment of dividend incl dividend tax	-2784481	-2227585
payment of taxes incl dividend and dividend tax	-6509353	-4255004
Net cash used in financing activities (C)	346650	-3042759
D. Net Increase in Cash & Cash Equivalents A+B+C=D	5701541	1209443
Cash and Cash Equivalents as on 01.04.2010	2890756	1681316
Add: Net increase in Cash & Cash equivalents	5701541	1209443
Cash and Cash Equivalents as on 31.03.2011	8592297	2890756

As per our report attached
for ANP ASSOCIATES
Chartered Accountants
FRN : 009004 S

for and on behalf of the Board of Directors

AMISH N PATEL
Proprietor
Membership No.027859
Chennai
Dated:31st May 2011

B. POPATLAL KOTHARI
Chairman & Managing Director

B. RANJIT KUMAR KOTHARI
Director

SCHEDULES

	AS ON 31.03.2011 Rs.	AS ON 31.03.2010 Rs.
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
50,00,000 equity shares of Rs 10 each Issued, Subscribed and Paid-up	<u>50000000</u>	<u>50000000</u>
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	23161410	14664869
Investment Subsidy	1298835	1298835
General Reserve	10400000	7900000
	<u>34860245</u>	<u>23863704</u>
SCHEDULE 3		
DEFERRED TAX		
Deferred Tax Provision for Earlier Years	-22245	178026
Deferred Tax Provision for Current Year	-102875	-200271
	<u>-125120</u>	<u>-22245</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)	38401235	28256459
Vehicle Loans (Secured by hypothecation of the respective vehicles financed and guaranteed by a Director)	151374	655666
	<u>38552609</u>	<u>28912125</u>

SCHEDULE 5 - FIXED ASSETS & DEPRECIATION											
SL. No.	Particulars	Cost as on 01.04.2010	Additions during the year	Deletions during the year	Total cost as on 31.03.2011	Preoperative exp. capitalised W/o till 31.03.2011	Total Depn. W/o till 31.03.2010	Depn. on Sold / adj during the year	Depn. provided during the year	Total depn. W/o till 31.03.2011	Wdv. as on 31.03.11
1.	Land	5527082	Nil	Nil	5527082	Nil	Nil	Nil	Nil	Nil	5527082
2.	Buildings	6602147	1260969	Nil	7863116	187972	3838747	Nil	343474	4182221	3868867
3.	Machineries	12448350	2702210	Nil	15150560	601972	8420006	Nil	762606	9182612	6569920
4.	Lab equipments	1974830	Nil	Nil	1974830	Nil	1559902	Nil	57717	1617619	357211
5.	Spare & Tools	2754178	116209	Nil	2870387	Nil	1697339	Nil	153654	1850993	1019394
6.	Electrical equipments	1043864	173234	Nil	1217098	Nil	506852	Nil	80657	587509	629589
7.	Vehicles	5505976	120748	85287	5541437	Nil	3376991	65725	570616	2549114	2992323
8.	Office equipments	1440206	73410	Nil	1513616	Nil	782733	Nil	95248	641375	872241
9.	Electrical Typewriters	126407	252000	Nil	378407	Nil	68973	Nil	22005	90978	287429
10.	Generators	384663	Nil	Nil	384663	Nil	286334	Nil	13678	300012	84651
11.	Weighing scale	92449	21256	Nil	113705	Nil	43618	Nil	8128	51746	61959
12.	Furniture & Fittings	993137	34133	Nil	1027270	Nil	722772	Nil	41071	763843	263427
13.	Patents Account	10400	Nil	Nil	10400	Nil	6195	Nil	585	6780	3620
	Total	38903669	4754169	85287	43572571	789944	21310462	65725	2149439	23394176	20968339
14.	Previous Year	37562372	2736501	1395184	38903689	789944	19570665	560166	2300263	21310462	18383171

	AS ON 31.03.2011 Rs.	AS ON 31.03.2010 Rs.
SCHEDULE 6		
INVESTMENTS (Unquoted at cost)		
QUOTED INVESTMENTS		
253 equity shares of Dena Bank	6831	6831
54 equity shares of Reliance Inds. Ltd	33371	33449
500 equity shares of Vesuvius India Ltd	135092	135092
Other investments (resorts & country club)	144928	144928
(Market value of quoted investments Rs.313953)	<u>320222</u>	<u>320300</u>
SCHEDULE 7		
CURRENT ASSETS		
SUNDRY DEBTORS		
- Over six months (Considered good)	4064172	2962732
-Other debts (Considered good)	42071082	42034081
Stock-in trade	34742172	27361751
(As verified, valued & certified by management)		
Cash & Bank balances		
Cash on hand	324103	331645
With scheduled banks (in current accounts)	2010718	502233
With scheduled banks (in FD accounts)	6257476	2056881
	<u>89469723</u>	<u>75249323</u>
LOANS & ADVANCES		
Unsecured & considered good		
Advances recoverable in cash or in kind	15012606	9952967
Balance with Excise Authorities	41019	130523
Balance with Custom Authorities	1258207	1264431
Balance with Service tax Authorities	2948	2055
Balance with Sales tax authorities	140000	0
Custom Duty Claimable	2522348	1407418
Depb License Credit	322421	118814
Tax deducted at source	131482	134102
Deposits	1687562	1348832
Advance Tax (Including Income Tax)	5000000	4500000
	<u>26118593</u>	<u>18859142</u>
SCHEDULE 8		
CURRENT LIABILITIES & PROVISIONS		
Sundry creditors	2212711	1398666
Creditors for expenses	1531734	954175
Unclaimed dividend	218225	218763
Other liabilities	1265339	548731
Provision for gratuity	1252955	1084249
	<u>6480964</u>	<u>4204584</u>
PROVISIONS		
Provision for tax	7051121	6381962
Provision for FBT	Nil	Nil
Proposed Dividend (Incl Div Tax)	2775288	2784481
	<u>9826409</u>	<u>9166443</u>

	AS ON 31.03.2011 Rs.	AS ON 31.03.2010 Rs.
SCHEDULE 9		
SALES		
Sales (Nett of Excise Duties)	<u>210815821</u>	<u>180550591</u>
SCHEDULE 10		
OTHER INCOME		
Interest from Banks	Nil	Nil
Interest from others	1354494	882791
Dividend received	4224	5090
Rebate & Discount	382869	578122
Duty Draw back received	203608	319304
Other Income	108367	69907
Profit on sale of fixed assets	34019	3833
	<u>2087581</u>	<u>1859047</u>
SCHEDULE 11		
RAW MATERIALS CONSUMED		
Opening stock		
Raw materials	7117475	9773000
Packing materials	718010	528666
(A)	<u>7835485</u>	<u>10301666</u>
Add: Purchases		
Raw materials	100195416	81951550
Packing materials	4220981	3524503
(B)	<u>104416397</u>	<u>85476053</u>
Less: Closing stock		
Raw materials	9022956	7117475
Packing materials	869661	718010
(C)	9892617	7835485
Consumption (A) + (B) - (C)	<u>102359265</u>	<u>87942234</u>
SCHEDULE 12		
MANUFACTURING EXPENDITURE		
Factory wages & salaries	5213644	4008771
Wire drawing charges	48417	309108
Cartage, coolie and freight	1175597	599712
Factory expenses	4163364	3220831
	<u>10601022</u>	<u>8138422</u>
SCHEDULE 13		
PERSONNEL EXPENDITURE		
Salaries, allowances & perquisites	4536496	3295488
Staff welfare expenses	482808	336227
Contribution to provident fund & other funds	341868	316148
Provision for gratuity	182178	118170
	<u>5543350</u>	<u>4068033</u>

	AS ON 31.03.2011 Rs.	AS ON 31.03.2010 Rs.
SCHEDULE 14		
ADMINISTRATION EXPENDITURE		
Advertisement	203913	146484
Auditors remuneration	45300	40525
Bank charges/commission	708221	684208
Books & Periodicals	6873	4272
Commission, Brokerage&Discount	2792466	1434175
Loss in Currency/Derivatives	292206	Nil
General expenses	1129915	657608
Insurance	187114	213496
Approval charges	399052	517939
Postage & telegram	77690	94157
Printing & stationeries	304969	271625
Rent, rates & taxes	910200	776640
Profession tax	Nil	Nil
Listing fees & custodial fees	24919	25351
Telephone expenses	223010	227597
Travelling expenses	325800	204090
Vehicle maintenance(car)	311719	215561
Vehicle maintenance(others)	881591	767767
Business promotion expenses	1735137	2044834
Professional charges	844670	634939
Sitting Fees	40000	32000
Donation	142250	44000
Subscription charges	11115	6256
Cartage, coolie and freight outwards	1105748	143921
Electricity charges	60725	50062
Loss on sale of fixed assets	Nil	117552
Bad debts	503138	1300036
Registrar charges	66180	33090
	<u>13333921</u>	<u>10688183</u>
SCHEDULE 15		
INTEREST & OTHER FINANCE COSTS		
Interest & finance charges	<u>3833396</u>	<u>3136880</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 manufactured goods and traded goods which is shown net of taxes and duties. Export Sales are reported on FOB basis.		
1.4 RETIREMENT BENEFITS Contribution to Provident fund is made monthly, at a predetermined rate, to the provident fund organization 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 capitalized 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 1,95,760 is due to one 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 30days are as follows.

Name of the SSI	Amount outstanding Rs.
Usha Packaging	195760

3. The details of amount outstanding in the dividend account as on 31st March 2011 representing unclaimed dividend declared in the earlier years are furnished below:

Unclaimed dividend pertaining for the year ending	Amount unclaimed as on 31.03.2011 Rs.
31 st March 2006	39417
31 st March 2007	38589
31 st March 2008	77325
31 st March 2009	62894
31 st March 2010	50706

4. Directors' Remuneration

Managing Director's Remuneration	YE 31.03.2011	YE 31.03.2010
Salary	1680000	1200000
Perquisites	18347	16176
Total	1698347	1216176
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.

5. Auditors remuneration

Auditors remuneration	YE 31.03.2011	YE 31.03.2010
Audit Fees	22500	20000
Tax Audit Fees	12500	12000
Certification fees	7500	6000
Reimbursement of expenses	2800	2525
TOTAL	45300	40525

6. The details of contingent liability not provided for in the books of accounts as on 31st March 2011 are as follows:

Details of contingent liability	Amount Rs
Letters of Credit	1064995

7. Related Party Transactions

1. Relationships

a. Key Management Personnel

B. Popatlal Kothari - Managing Director

P Kashyap Kothari - Factory Manager

2. 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	1698347	Remuneration (including perquisites)
Mr. B Popatlal Kothari	240000	Rent for Office Premises
	240000	Rent for Godown
	700000	Rental Advance for Office Premises and Godown
Mr. P Kashyap Kothari	430000	Remuneration
P Nitya Kothari	384000	Rent for Godown
	500000	Rental Advance for Godown
Ms. Aanchal Kothari	120000	Remuneration

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

9. 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 2011 amounting to Rs 125120 and deferred tax (accrual) for the current year amounting to Rs. 102875 in the Profit and Loss Account.

10. Licenced and installed capacity

	2010-2011	2009-2010
Welding Electrodes:		
Licenced capacity	Not Applicable	Not Applicable
Installed capacity	3300.000 Mts	3300.000 Mts
Actual Production	2627.508 Mts	2484.609 Mts

11. Quantitative particulars

	U M	Year ended 31.3.11		Year ended 31.3.10	
		Qty	Value	Qty	Value
FINISHED GOODS					
Opening Stock	Kgs	79037	3531268	53445	2678089
Production	Kgs	2627508	143115542	2484609	126499819
Sales & Samples	Kgs	2649184	143702412	2459017	125646640
Closing Stock	Kgs	57361	2944398	79037	3531268
RAW MATERIALS (ms wire & wire rod)					
Opening Stock	Kgs	150855	5623327	136636	4926953
Production	Kgs	2017231	67575905	1888979	61469104
Consumption	Kgs	2023691	67750846	1874760	60772730
Closing Stock	Kgs	144395	5448386	150855	5623327
RAW MATERIALS (flux materials)					
Opening Stock	Kgs	49148	1494148	113883	4846047
Production	Kgs	780995	32619511	658077	20482446
Consumption	Kgs	745498	30539089	722812	23834345
Closing Stock	Kgs	84645	3574570	49148	1494148
FINISHED GOODS					
CCMS Wire, Flux wire & Filler wire					
Purchases (Imported) & Local	Kgs	419613	25344430	589630	28592790
Closing Stock	Kgs	102505	6644465	145378	7420264
MIG MAG MACHINES/wheels transformers/electrodes					
Purchases (Imported) & Local	Nos	354433	12043841	79559	2704003
Closing Stock	Nos	140787	4984989	42834	1956269
RUTILE - Trading					
Purchases	Kgs	885765	22170561	568000	15863951
Closing Stock	Kgs	340920	10193065	251020	6618465
Imports (CIF Value)			58766154		53489938
Expenditure in foreign currency			Nil		Nil
Earnings in foreign currency			13912279		4680741
Finished Goods (cc2 wire)					
Opening Stock	Kgs	Nil	Nil	Nil	Nil
Production	Kgs	19060	1099759	Nil	Nil
Sales & Samples	Kgs	17461	1017121	Nil	Nil
Closing Stock	Kgs	1580	82638	Nil	Nil

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

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

As per our report attached

for and on behalf of the Board of Directors:

for ANP ASSOCIATES

Chartered Accountants

FRN : 009004 S

AMISH N PATEL Proprietor

Membership No.027859

Chennai

Dated:31st May 2011

B. POPATLAL KOTHARI
Chairman & Managing DirectorB. 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.	1826980	State Code	18
Balance Sheet Date	31032011		
	Date Month Year		

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

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placements	NIL

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

Total Liabilities	120973	Total Assets	120973
Paid up Capital	47600	Reserves & Surplus	34860
Secured Loans	28912	Unsecured Loans	85
Deferred tax liability	-125		
Application of Funds			
Net Fixed Assets	21372	Investments	320
Net Current Assets	99281	Misc. Expen.	NIL
Accumulated Losses	NIL		

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

Turnover	210816	Total Expenditure	189969
Profit Before Tax	20847	Profit after Tax	13772
Earnings per share (Rs)	2.89	Dividend Rate %	5

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

Item Code - No. 8311.00

Product Description - WELDING ELECTRODES

As per our report attached
for ANP ASSOCIATES
Chartered Accountants
FRN : 009004 S

for and on behalf of the Board of Directors

AMISH N PATEL
Proprietor
Chennai
Dated:31st May 2011

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

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 Seventeenth Annual General Meeting of the said Company to be held on Friday 30th September 2011 at 9.00 a.m. at HOTELABU PALACE, No.926, Poonamallee High Road, Chennai - 600 084 and at any adjournment thereof Signed thisday of2011

Address

Signature.....

Folio No.

No. of Shares held

Client ID No.....

DP ID No.....

Revenue Stamp of Rs.1.00
