



**17th Annual Report
2009-2010**

RATHI BARS LIMITED

BOARD OF DIRECTORS	Sh. Kamlesh Kumar Rathi Sh. Anupam Rathi Sh. Anurag Rathi Sh. Harkishore Kejriwal Sh. Ashok Kumar Garg Sh. Binod Kumar Maheshwari
AUDITORS	M/s A. K. Vaish & Co. B-101, Gateway Towers, 24, Sector-IV, Vaishali, Distt. Ghaziabad (U.P.)
BANKERS	State Bank of Bikaner & Jaipur A-1/19, Safdarjung Enclave, New Delhi-110029
REGISTERED OFFICE	A-24/7, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi-110044 Ph:011-43165400 Fax: 011-41679787 Email: contact@rathisteels.com
WORK OFFICE	SP ¹ ,-7, RIICO Industrial Area, Khushkhera, P.O. Tapukra, Distt. Alwar, Rajasthan Ph.: 01493-2518855
REGISTRAR & SHARE TRANSFER AGENT	M/s MAS Services Limited, T-34, Second Floor, Okhla Industrial Area, New Delhi-110020 Ph: 011-26387281, 82, 83

NOTICE

NOTICE is hereby given that Seventeenth Annual General Meeting of the Members of **M/S RATHI BARS LIMITED** will be held on **Thursday, 30th day of September, 2010 at 10.00 A. M.** at the Registered Office of the Company situated at A-24/7, Mohan Co- Operative Industrial Estate, Mathura Road, New Delhi-110044 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit & Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon:

“**RESOLVED THAT** the Company’s audited Balance Sheet as at 31st March, 2010, the audited Profit & Loss Account and the audited Cash Flow Statement for the financial year ended on that date together with Director’s and Auditor’s Report thereon be and are hereby approved and adopted”.

2. To consider and if though fit, to pass, with or without modifications, if any, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** Shri Ashok Kumar Garg, who retires from the office of Director by rotation in this Annual General Meeting, be and is hereby re-appointed as a Director of the Company, whose office shall be liable for retirement by rotation”.

3. To consider and if though fit, to pass, with or without modifications, if any, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** Shri Binod Kumar Maheshwari, who retires from the office of Director by rotation in this Annual General Meeting, be and is hereby re-appointed as a Director of the Company, whose office shall be liable for retirement by rotation.”

4. To consider and if though fit, to pass, with or without modifications, if any, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** M/s A K Vaish & Co, Chartered Accountants, retiring Auditors, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration to be decided by the Board of Directors”.

SPECIAL BUSINESS:

5. To Consider, and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

RE-APPOINTMENT OF MANAGING DIRECTOR OF THE COMPANY - MR. KAMLESH KUMAR RATHI

“**RESOLVED THAT** pursuant to the provisions of Sections–192, 269 and other applicable provisions, if any, of the Companies Act, 1956 and Schedule XIII thereof and pursuant to Article No. 127 of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of the Managing Director, Mr. Kamlesh Kumar Rathi, with effect from 01st Day of October 2009 for the period of 3 years and other terms and conditions of his appointment shall remain same.”

6. To Consider, and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution

RE-APPOINTMENT OF WHOLE TIME DIRECTOR OF THE COMPANY – MR. ANUPAM RATHI

“**RESOLVED THAT** pursuant to the provisions of Sections–192, 269 and other applicable provisions, if any, of the Companies Act, 1956 and Schedule XIII thereof and pursuant to Article no. 127 of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Whole Time Director, Mr. Anupam Rathi, with effect from 01st Day of October 2009 for the period of 3 years and other terms and conditions of his appointment shall remain same”

7. To Consider, and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution

RE-APPOINTMENT OF WHOLE TIME DIRECTOR OF THE COMPANY – MR. ANURAG RATHI

“**RESOLVED THAT** pursuant to the provisions of Sections–192, 269 and other applicable provisions, if any, of the Companies Act, 1956 and Schedule XIII thereof and pursuant to Article no. 127 of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Whole Time Director, Mr. Anurag Rathi, with effect from 01st Day of October 2009 for the period of 3 years and other terms and conditions of his appointment shall remain same”

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM NO. 5, 6 AND 7

Your Directors recommends the confirmation of re-appointment of Mr. Kamlesh Kumar Rathi, Managing Director of the Company, Mr. Anupam Rathi, Whole Time Director of the Company and Mr. Anurag Rathi, Whole Time Director of the Company whose term expired in September, 2009 and Your Board and remuneration committee has reappointed in their Board Meeting in the month of October. These Directors of the Company have promoted the company and directed its growth since inception. Your Board is of the opinion that their continuation will keep the company in their growth path and their reappointment will be in the interest of the Company and its shareholders. Being the shareholder of the company, your approval is required for their re-appointment and you are requested to confirm their re-appointment.

By order of the Board of Directors
FOR RATHI BARS LIMITED

Place: New Delhi
Date: 6th September, 2010

Sd/-
(Managing Director)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxy, in order to be valid and effective must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. A form of Proxy and Admission Slip is enclosed
2. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September 2010 to 30th September, 2010 (both days inclusive).
3. Members are requested to notify the change in their address and such communication be addressed to the Regd. Office of the Company or our Share Transfer Agent M/s MAS Services Limited having its office at T-34, Second Floor, Okhla Industrial Area, Phase-II, New Delhi-110020
4. Members are requested to bring their copy of the Annual Report along with the duly filled attendance slip. As a measure of economy, copies of the annual report will not be distributed at the Annual General Meeting.

Rathi Bars Limited

5. Shareholders holding shares in Electronic form are requested to bring their Client ID and DPID at the meeting for easy identification.
6. The queries, if any, on the accounts should be sent to the Company at its registered office such a way that the Company will receive the same at least 10 days before the Annual General Meeting.
7. Pursuant to the recommendation of SEBI committee on Corporate Governance about the re-appointment of the retiring directors, the relevant details of the concerned Directors are given in the report on Corporate Governance forming part of the Director's Report.

By order of the Board of Directors
FOR RATHI BARS LIMITED

Place: New Delhi
Date: 6th September, 2010

Sd/-
(Managing Director)

DIRECTORS' REPORT

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

(Rupees in Lakhs)

FINANCIAL RESULTS	Year 2009-2010	Year 2008-2009
Income from Operations	21684.54	25889.41
Profit before Interest, Depreciation and Tax	837.84	712.13
Depreciation	165.77	144.33
Interest	210.23	190.69
Profit before Tax (PBT)	461.84	377.11
Profit after Tax (PAT)	477.37	310.46

REVIEW OF OPERATIONS AND FUTURE OUTLOOK

The Company has made a profit of Rs. 477.37 Lakhs during the year and is hopeful of maintaining and improving its positions in the future.

DIVIDEND

Your Directors do not recommend any dividend at this stage as the Company requires ploughing back of the profits to the working capital of the Company and expects good results in the coming years.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri Ashok Kumar Garg & Shri Binod Kumar Maheshwari, Directors of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible for re-appointment. They have confirmed that they are not disqualified under Section 274(1) (g) of the Companies Act, 1956 and they are eligible to be re-appointed as Directors of the Company.

OPERATIONAL REVIEW

During the year, your Company had produced 67655.365 MT Steel Bars and 30663.480 MT Ingots/Billets as against production of 60839.005 MT Steel Bars and 27696.100 MT ingots during the corresponding period of last year.

FUTURE OUTLOOK:

The project for which public issue was raised is completed and operations started in the month of November, 2009 and the whole proceeds of the public issue are spent on the project and your company expects better production and revenues in the years ahead.

SHARE CAPITAL

During the year, there is no change in the capital of the Company. The Company has utilized all the proceeds from IPO (2007-08) for the purposes set out in the prospectus issued in connection with the issue.

AUDITORS

M/s A. K. Vaish & Co., Chartered Accountants, retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. They have confirmed that their re-appointment if made would be in conformity with the limits prescribed under Section 224 of the Companies Act, 1956.

CORPORATE GOVERNANVE

All the provisions of Corporate Governance have duly complied as provided in the listing agreement of Bombay Stock Exchange with which the Company shares are listed.

A separate report on 'Corporate Governance' alongwith Auditors Certificate for its remarks is annexed hereto as a part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of the Listing Agreement with Stock Exchange, the Management Discussion and Analysis Report, highlighting the performance and prospectus of the Company's business is attached and forming part of this report.

STATUS OF LISTING

The Company's shares are listed at Bombay Stock Exchange Ltd. The Company has paid the listing fees to the Stock Exchange, Mumbai for the year 2010-2011.

The Company's shares are currently traded in compulsory DMAT Segment in BSE.

PUBLIC DEPOSITS

The Company has not invited or accepted any deposits pursuant to Section 58-A of the Companies Act, 1956. Hence, no information is required to be appended to this report in terms of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank of India Directions, 1998).

DIRECTOR'S RESPONSIBILITY STATEMENT

The Board of Directors of your Company state:-

- i) That in the preparation of the annual accounts, the applicable accounting standards had been followed;

- ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the financial year and of the Profit & Loss of the Company for that period;
- iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting record in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors had prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

During the year under review, there was no employee who falls under the Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required to be furnished under Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 relating to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo are as follow:

A) CONSERVATION OF ENERGY:

The Company had taken adequate steps to improve the conservation of energy and this is a continuous process and forms an integral part of responsibilities of departmental heads. Some of the energy conservation steps taken are as follow:

- i) Optimum Capacity utilisation.
- ii) Optimization of pump and motor operations through standard operating practices.
- iii) Strict quality checks on inputs thus saving electricity consumption.
- iv) Minimization of handling losses.
- v) Total Energy Consumption and Energy Consumption per unit of production is optimum as per industry standards.

During the year under review, the Company has consumed 3,54,15,120 units of Electricity and 2955.040 MT of Fuel.

B) TECHNOLOGY ABSORPTION

The Company is using technology, which is best available in the Steel Industry and always step forward to upgrade the same.

FOREIGN EXCHANGE EARNINGS AND OUTGO (IN Rs.)

During the year under review:

Foreign Exchange Earned	NIL
Foreign Exchange Outgo	INR 6, 95,498/-

Rathi Bars Limited

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENTS

Your Directors take this opportunity to offer their sincere thanks to the various Departments of the Central and State Governments, Bankers to the Company, all customers, dealers, suppliers and contractors for their continued valued assistance and support. Your directors also wish to place on record their appreciation for dedicated services rendered by all officers, staff and workers of the company all levels.

By order of the Board of Directors
FOR RATHI BARS LIMITED

Place: New Delhi
Date: 6th September, 2010

Sd/-
(Managing Director)

Sd/-
(Director)

DECLARATION REGARDING COMPLIANCE BY BOARD OF DIRECTORS AND SENIOR MANAGEMENT / PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that all Directors and senior management personnel of the Company have affirmed compliance with Code of Conduct of the Company for the financial year ended March 31, 2010 as envisaged in Clause 49 of the Listing Agreement with Stock Exchange.

Place: New Delhi
Date: 06.09.2010

Sd/-
Kamlesh Kumar Rathi
Managing Director

CERTIFICATE BY MANAGING DIRECT OR AND WHOLE TIME DIRECTOR:

We, K K Rathi, Managing Director and Anupam Rathi, Whole Time Director, certify that:

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

Place: New Delhi
Date: 06.09.2010

Sd/-
Kamlesh Kumar Rathi
(Managing Director)

Sd/-
Anupam Rathi
(Whole Time Director)

CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

The Directors of the Company are pleased to present the Corporate Governance Report for the Financial Year 2009-2010. The Securities & Exchange Board of India introduced the Code of Corporate Governance for implementations by the listed companies vide an amendment to the Listing Agreement. The Shareholders and Investors of the Company will find the informations informative and useful.

Company's policies on the Corporate Governance and due compliance report on specific areas wherever applicable for the year ended 31st March, 2010 are given hereunder divided into the following areas:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that for the success of its business, an adherence to the core values of integrity, honesty, accountability and Compliance of laws is of utmost significance. The Company continuously strives for improving performance. The Company believes that adherence to Corporate Governance in all its dealings will make the Company more committed towards its Shareholders, Government Authorities, Banks and Stock Exchange etc.

BOARD OF DIRECTORS**A. Composition and Size of the Board**

The composition of the Board of Directors as at 31st March 2010 is as follows:

Name	Designation	Executive / Non-executive / Independent
Sh. Kamlesh Kumar Rathi	Managing Director	Executive
Sh. Anupam Rathi	Whole Time Director	Executive
Sh. Anurag Rathi	Whole Time Director	Executive
Sh. Harkishore Kejriwal	Director	Non Executive and Independent
Sh. Ashok Kumar Garg	Director	Non Executive and Independent
Sh. Binod Kumar Maheshwari	Director	Non Executive and Independent

B. Board meetings held during the year

The Board meets at least once in a quarter to consider, amongst other business, the quarterly performance of the Company and its financial results. The Board held 5 meetings during the financial year 2009-10 on 30th April 2009, 31st July 2009, 1st October, 2009, 31st October, 2009, and 31st Jan 2010. All the relevant information needed for taking decisions by the Board is made available to the Directors at the meetings.

The Board and its Committees formulate policy decisions, to lead and control the Company. The Composition of the Board is in conformity with the amendments in the Listing Agreement. No Director is a member of more than 10 Committees or Chairman of more than of 5 Committees across all companies in which they are directors. The details are as under:

S. No	Name of Directors	No. of Board Meetings attended	Attendance At last AGM	Number of Outside Directorship (s) (*)	Total Number of Membership (s) in other Board Committees	Number of Chairmanship (s) in other Board Committees
1	Sh. Kamlesh Kumar Rathi	5	YES	6	Nil	Nil
2	Sh. Anupam Rathi	5	YES	8	Nil	Nil
3	Sh. Anurag Rathi	5	YES	7	Nil	Nil
4	Sh. Harkishore Kejriwal	5	No	4	Nil	Nil
5	Sh. Ashok Kumar Garg	5	No	6	Nil	Nil
6	Sh. Binod Kumar Maheshwari	3	No	4	Nil	Nil

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

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

AUDIT COMMITTEE

The Company has constituted Audit Committee as per Clause 49(1) (b) of the Listing Agreement to review the internal audit systems and it comprises of Independent Directors in compliance of clause 49 II (i) of the Listing Agreement. Sh. Ashok Kumar Garg, is the Chairman of the Committee, Shri Kamlesh Kumar Rathi and Shri Harkishore Kejriwal are the members of the Committee, Finance Manager and Statutory Auditors are the invitees to the meeting. The terms of reference of this Committee cover the matters specified for Audit Committees under clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

There were five audit committees' meetings held during the year.

4. REMUNERATION COMMITTEE**Remuneration of Directors**

The Company has paid remuneration to Directors Mr. Kamlesh Kumar Rathi, Mr. Anupam Rathi and Mr. Anurag Rathi and there is no change in the remuneration of any managerial personnel. The tenure of the Executive Directors of the Company expired in the month of September, 2009 and the Board of the Company has recommended the reappointment of Mr. Kamlesh Kumar Rathi, Mr. Anupam Rathi and Mr. Anurag Rathi, in their respective designations. Therefore, one remuneration committee meeting was held for reappointment of the Managing Director and whole time Directors of the Company. Details of remuneration (P.A.) to Managing Director and whole time Directors are as follow:

S.No.	Name of the Director	Amount (in Rs. Lakhs)
1.	Mr. Kamlesh Kumar Rathi (Managing Director)	30.00
2.	Mr. Anupam Rathi (Whole Time Director)	19.80
3.	Mr. Anurag Rathi (Whole Time Director)	19.80

5. SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE

The Company has an Investors Grievance Committee under the nomenclature 'Share Transfer and Investor Grievance Committee.' The Committee looks after the redressal of Shareholders and Investors Grievances and approves transfer/transmission, sub-division and issue of duplicate share certificates etc. The Company's Registrars and Share Transfer Agents handle the investor grievances in consultation with the secretarial department of the Company. The Registrars have adequate skilled staff with potential qualifications and advanced computer systems for speedy redressal of the investor grievances. The total process of settlement of a complaint right from its receipt to disposal is fully computerized to ensure timely settlement. It normally takes 10-15 days from the receipt of complaint for disposal of investor grievance. In addition to the above, the Company has Share Transfer and Investor Grievance Committee in accordance with the requirements of Clause 49 of the Listing Agreement. Shri Ashok Kumar Garg, independent Director is the Chairman of the Committee and Shri Anupam Rathi and Shri Anurag Rathi; Whole Time Directors are the members of the Committee.

The Company has not received any shareholders' complaint during the year.

6. GENERAL BODY MEETINGS

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

For the Year	Location	Day and Date	Time	No. of Special Resolutions passed
2008-2009 (AGM)	A-24/7, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-110044	Wednesday, 30th September, 2009	10.:00 AM	Nil
2007-2008 (AGM)	A-24/7, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-110044	Tuesday, 30th September, 2008	12.:00 Noon	Nil
EGM	A-24/7, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-110044	Saturday 03 rd November, 2007	11.30 A. M.	Three
2006-2007 (AGM)	A-24/7, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-110044	Friday, 31 st August, 2007	11:00 A.M.	Nil
EGM	A-24/7, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-110044	Wednesday, 10 th January, 2007	11.30 A.M.	One
EGM	A-24/7, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-110044	Monday, 11 th December, 2006	11.30 A.M.	One

The Company's shareholders through postal ballot have passed no resolution during the Financial Year 2009-10 and there is no resolution proposed to be passed through postal ballot in the ensuing Annual General Meeting.

7. DISCLOSURES

There were no materially significant related party transactions during the year having potential conflict with the interest of the Company. The transactions with related parties are disclosed in Note on Accounts No. (g) in the Annual Report.

There were no instances of non-compliance by the Company or penalty being imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

8. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly un-audited/Audited financial results of the Company were published in leading newspapers viz. Veer Arjun (Hindi) and Pioneer (English). Half-yearly results are not sent to each shareholder's address as a matter of economy. Management Discussion and Analysis is a part of the Annual Report.

9. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

-Day, Date and Time : Thursday, 30th September, 2010 at 10.00 A. M.

-Venue : A-24/7, Mohan Co-operative Industrial Estate,
New Delhi-110044

Financial Calender

Financial Year : April, 2009 to March, 2010

First Quarter Results : 31st July, 2009

Second Quarter Results : 31st October, 2009

Third Quarter Results : 30th January, 2010

Fourth Quarter Results : 15th May, 2010

Annual General Meeting for the year
ending March 31, 2009 : 30th September, 2009

Dividend Payment Date : NA

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

<u>Market Price Data</u>			<u>Market Price Data</u>		
Bombay Stock Exchange			Bombay Stock Exchange		
Month	High(Rs.)	Low(Rs.)	Month	High(Rs.)	Low(Rs.)
April, 09	07.39	04.42	Oct, 09	11.00	08.50
May, 09	11.36	05.70	Nov, 09	10.05	08.00
June, 09	11.90	08.25	Dec, 09	11.98	08.10
July, 09	11.25	07.10	Jan, 09	13.70	09.90
August,09	12.50	09.56	Feb, 10	11.90	09.82
Sept, 09	11.98	09.65	Mar, 10	10.90	09.50

10. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2010

SHAREHOLDING	NO. OF SHARE-HOLDERS	%AGE	NO.OF SHARES	%AGE
Upto-5000	7973	72.285	1678539	10.279
5001-10000	1661	15.059	1231720	7.543
10001-20000	981	8.894	1350952	8.273
20001-30000	161	1.460	411765	2.521
30001-40000	60	0.543	219148	1.342
40001-50000	46	0.417	218822	1.340
50001-100000	73	0.662	541195	3.314
100001-Above	75	0.680	10678216	65.388
TOTAL	11030	100.00	16330357	100.00

11. DEMATERIALISATION OF SHARES

The Company's shares are currently trading in compulsory DMAT Segment at BSE.

12. ADDRESS FOR CORRESPONDENCE

Shareholders correspondence may be addressed to:

1. *The Registrar & Transfer Agent -*

M/s MAS Services Limited, T-34, Second Floor, Okhla Industrial Area, Phase II, New Delhi-110020. OR

2. *The Company -*

M/s Rathi Bars Limited, A-24/7, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi-110044.

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

The recovery in the Global economy picked up momentum in the fourth quarter of 2009 but speed of recovery remains significantly divergent. Output growth in 2010-11 is expected to be higher than in 2009-10, assuming a normal monsoon. Support for sustained momentum in growth can be expected from all three major components viz., agriculture, industry and services. Inflation can be expected to moderate over the next few months, from the peak levels seen in the recent months. Thus, the Global economy continues to recover amidst ongoing policy support and improving financial market conditions.

After witnessing a slowdown during 2008-09, the Indian economy has recovered in 2009-10 which is expected to firm up further and take hold in 2010-11. India's GDP growth for the last quarter of 2009-10 turned out to be robust, it showed immense growth as compared to the growth in corresponding

quarter of previous year due to higher-than-anticipated growth in agricultural, mining and manufacturing sectors. The uptrend in industrial activity continues.

STEEL INDUSTRY

Industrial climate during the year has improved particularly for the Steel Industry, Automobile and Auto Components Sectors. The Indian Steel Industry also witnessed the recessionary conditions during the financial year 2008-09, but recovered in the latter part of the year and the trend continued in the financial year under review.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The internal control systems and procedures adopted by the Company are adequate and commensurate with the size of operations of the Company. These systems and procedures are fine tuned from time to time to meet the requirements.

CAUTIONARY STATEMENT

Statements made in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. However, these statements would be subject to conditions of the stock market, changes in the policies of the government, economic development, reforms and various other factors.

A. K. VAISH & CO.
CHARTERED ACCOUNTANTS

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

Dear Members,
M/s Rathi Bars Limited
New Delhi.

Auditors' Certificate on Corporate Governance

We have examined the compliance of conditions of Corporate Governance procedures implemented by M/s Rathi Bars Limited for the year ended on March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange (BSE).

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

On the basis of our review and according to the information and explanation given to us, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange:

On the basis of records maintained of the Investors'/ Shareholders' Grievance cum Share Transfer Committee of the Company information provided by the management, we state that no investor grievance(s) is/are pending for a period exceeding one month against the Company.

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

For A. K. Vaish & Co.
Chartered Accountants

Place: New Delhi
Date: 06th September, 2010

Sd/-
A. K. Vaish
Proprietor

AUDITORS' REPORT

To the Members,
RATHI BARS LIMITED

We have audited the attached Balance Sheet of RATHI BARS LIMITED as at 31st March, 2010, Profit & Loss Account and Cash Flow Statement of the Company 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.

1. 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to in paragraph 2 above, we report that :

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of accounts, as required by law, have been kept by the Company, so far as appears from our examination of such books;
- c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e. In our opinion, and based on information and explanations given to us, none of the Directors are disqualified as on 31st March, 2010 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss Account read together with the Significant Accounting Policies, Cash Flow Statement and other notes thereon give the information required by the Companies Act, 1956 in the manner so required and present a true and fair view in the conformity with the accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2010;
 - ii. In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - iii. In the case of the Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date;

For A. K. VAISH & Co.
Chartered Accountants

Place : New Delhi
Dated : 06.09.2010

A. K. VAISH
PROPRIETOR
Membership No.71088

ANNEXURE TO THE AUDITORS' REPORT

Re: Rathi Bars Limited

(Referred to in paragraph 1 of our report of even date)

1. In respect of its fixed assets :
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, all the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year and going concern status of the Company is not affected.
2. In respect of its inventories :
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - a. The Company has not granted any loans/advances to any parties and taken loans/advances from 6 (Six) party/ies aggregating to Rs. 1,77,80,000/- (Rupees One Crore Seventy Seven Lacs Eighty Thousand only).
 - b. In our opinion and according to the information and explanations given to us, the rate of interest, wherever, applicable and other terms and conditions are not prima facie prejudicial to the interest of the company.
 - c. In respect of loans taken by the Company, the interest payments are regular and the principal amount is repayable on demand.
 - d. There is no overdue amount in respect of loans taken by the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.

Rathi Bars Limited

5. As explained to us, the transactions exceeding to Rs. 5,00,000/- or more during the year have been entered in the register maintained under section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. The Central Government has not prescribed maintenance of Cost Records under Section 209(1) (d) of Companies Act, 1956. Therefore, clause 4 (viii) of the Companies (Auditor's) Report Order 2003 is not applicable to the company.
9. In respect of statutory dues :
 - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales tax, Wealth tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2010 for a period of more than six months from the date of becoming payable.
 - b. According to the records of the company, there are no dues of sale tax, income tax, custom duty, wealth tax, excise duty or cess have not been deposited on account of any dispute.
10. The company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. The Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the Company in its own name.
15. As per information and explanations given to us, the company has not given guarantee for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanation given to us, the term loans were applied for the purposes for which they were obtained.

17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, no funds raised on short term basis have been used for long term investment. Similarly, no funds raised on long term basis have been used for short term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year. Hence the requirement of Clause (xix) of paragraph 4 of the order is not applicable to the company.
20. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For A. K. VAISH & Co.
Chartered Accountants

Place : New Delhi
Dated : 06.09.2010

A. K. VAISH
PROPRIETOR
Membership No.71088

RATHI BARS LIMITED

Regd. Office : A-24/7, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-110044

AUDITED BALANCE SHEET AS AT 31st March, 2010

PARTICULARS	SCHEDULE	AS AT 31st March, 2010 (RUPEES)	AS AT 31st March, 2009 (RUPEES)
<u>I SOURCES OF FUNDS</u>			
<u>1. SHARE HOLDERS FUNDS</u>			
a. Share capital	[1]	163,303,570	163,303,570
b. Reserves & surplus	[2]	450,666,071	402,929,248
<u>2. LOAN FUNDS</u>			
a. Secured loans	[3]	182,752,645	182,817,957
b. Unsecured loans	[4]	48,948,744	49,023,744
<u>3. DEFERRED TAX LIABILITIES (NET)</u>			
(Refer item 2h of Notes of Accounts)			
TOTAL		883,208,581	836,204,240
<u>II APPLICATION OF FUNDS</u>			
<u>1. FIXED ASSETS</u>			
a. Gross block	[5]	441,683,711	352,064,449
b. Less : Depreciation		125,114,925	109,975,241
c. Net block		316,568,786	242,089,208
d. Add : Capital -in-progress		5,979,269	41,037,077
SUB TOTAL		322,548,055	283,126,285
<u>2. INVESTMENTS</u>			
	[6]	185,571,428	195,649,768
<u>3. CURRENT ASSETS, LOAN & ADVANCES</u>			
a. Inventories	[7]	105,196,087	126,153,636
b. Sundry debtors	[8]	303,078,116	229,672,034
c. Cash & bank balances	[9]	3,406,945	5,521,465
d. Loans & advances	[10]	156,663,837	152,541,425
SUB TOTAL		568,344,985	513,888,560
e. Less : Current liabilities & provisions	[11]	193,255,887	156,460,373
f. Net current assets		375,089,098	357,428,187
TOTAL		883,208,581	836,204,240
Significant Accounting Policies & Notes on Accounts		[16]	
As per our report of even date attached			
For A.K. Vaish & Co.			For and on behalf of the Board of Directors
Chartered Accountants			
A.K.Vaish	(Company Secretary)	(Managing Director)	(Director)
Proprietor			
Membership No. 71088			
Place : New Delhi			
Date : 06.09.2010			

RATHI BARS LIMITED

Regd. Office : A-24/7, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-110044

AUDITED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

PARTICULARS	SCHEDULE	YEAR	
		2009-10 (RUPEES)	2008-09 (RUPEES)
<u>INCOME</u>			
Income from Operation		2,168,454,492	2,588,940,790
Other Income		14,646,979	18,576,334
Increase / (Decrease) in Stocks	[12]	(2,503,022)	28,305,500
		2,180,598,449	2,635,822,624
<u>EXPENDITURE</u>			
Manufacturing Expenses	[13]	2,057,595,563	2,529,104,967
Administrative, Selling & Distribution Expenses	[14]	39,218,436	35,393,561
Financial Charges	[15]	21,022,799	19,068,772
Miscellaneous Expenditure		-	110,792
Depreciation		16,577,262	14,432,984
		2,134,414,060	2,598,111,076
Net Profit Before Tax		46,184,389	37,711,548
Add: Excess provision for taxation		15,295	561,786
: Excess provision of Wealth Tax		5,282	-
: Mat Credit Entitlement		3,125,863	-
: Deferred Tax Assets / (Liabilities)		592,170	(5,703,234)
(Refer item 2h of Notes of Accounts)			
Less: Income Tax for the Year		2,139,000	1,023,000
Wealth Tax		47,176	58,097
Fringe Benefit Tax		-	442,561
Profit After Tax		47,736,823	31,046,442
Add: Balance brought forward		221,798,886	190,752,444
Balance carried forward		269,535,709	221,798,886

Significant Accounting Policies & Notes on Accounts [16]
As per our report of even date attached

For A.K. Vaish & Co.
Chartered Accountants

For and on behalf of the Board of Directors

A.K. Vaish
Proprietor
Membership No. 71088

(Company Secretary)

(Managing Director)

(Director)

Place : New Delhi
Date : 06.09.2010

RATHI BARS LIMITED**SCHEDULE (1)****SHAREHOLDERS FUNDS :**

PARTICULARS	AS AT	AS AT
	31st March, 2010	31st March, 2009
	(RUPEES)	(RUPEES)
1. AUTHORISED :		
1,80,00,000 Equity Shares of Rs. 10 each	180,000,000	180,000,000
(Previous Year : 1,80,00,000 Equity Shares of Rs.10 each)		
2. ISSUED, SUBSCRIBED & PAID-UP		
1,63,30,357 Equity Shares (Previous Year : 1,63,30,357	163,303,570	163,303,570
Equity Shares) of Rs. 10 each Called-up and Fully Paid-up.		
TOTAL	163,303,570	163,303,570

SCHEDULE (2)**RESERVES & SURPLUS**

PARTICULARS	AS AT	AS AT
	31st March, 2010	31st March, 2009
	(RUPEES)	(RUPEES)
Profit & loss account	269,535,709	221,798,886
Share Premium	178,571,425	178,571,425
Reserve for deferred taxes	2,558,937	2,558,937
	450,666,071	402,929,248

RATHI BARS LIMITED
SCHEDULE (3)
SECURED LOANS :

PARTICULARS	AS AT	AS AT
	31st March, 2010 (RUPEES)	31st March, 2009 (RUPEES)
A. TERM LOANS		
1. Rajasthan State Industrial Development & Investment Corporation Ltd., Jaipur.(Against hypothecation of land, Building, Plant & Machineries on parri passu basis with State Bank of Bikaner & Jaipur , New Delhi & guaranteed by Executive Directors)	26,658,000	12,216,000
2. State Bank of Bikaner & Jaipur, New Delhi.(Against hypothecation of land, Building, Plant & Machineries on parri passu basis with Rajasthan State Industrial Development & Investment Corporation Ltd., Jaipur, & guaranteed by Executive Directors)	12,433,694	29,525,381
B. WORKING CAPITAL LIMITS		
State Bank of Bikaner & Jaipur, New Delhi (Secured by hypothecation of stock & Book debts and Guaranteed by Executive Directors)	135,912,192	136,666,391
C. AUTOMOBILE LOANS		
1. From HDFC Bank	6,098,763	3,686,534
2. From Tata Capital Ltd.	231,218	370,142
3. From Kotak Mahindra Bank Ltd.	1,418,778	-
4. From TML Financial Services Ltd.	-	59,617
5. From ICICI Bank Ltd. (Secured by Hypothecation of relevent Vehicle)	-	293,892
TOTAL	182,752,645	182,817,957

SCHEDULE (4)
UNSECURED LOANS

PARTICULARS	AS AT	AS AT
	31st March, 2010 (RUPEES)	31st March, 2009 (RUPEES)
INTEREST FREE LOANS		
From Body Corporates & Directors	17,780,000	23,855,000
Security deposits	31,168,744	25,168,744
TOTAL	48,948,744	49,023,744

RATHI BARS LIMITED

**SCHEDULE (5)
FIXED ASSETS**

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2009	Addition	Deletion	As at 31.03.2010	Up to 31.03.2009	Addition	Deduction	Up to 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land	3,921,141	-	-	3,921,141	-	-	-	-	3,921,141	3,921,141
Building	41,500,587	-	-	41,500,587	9,043,946	1,343,700	-	10,387,646	31,112,941	32,456,641
Plant & Machinery	288,881,943	88,054,681	-	376,936,624	95,800,144	13,847,836	-	109,647,980	267,288,644	193,081,799
Tubewell	222,080	-	-	222,080	164,340	6,415	-	170,755	51,325	57,740
Furniture	355,024	39,090	-	394,114	250,561	25,732	-	276,293	117,821	104,463
Vehicle	17,183,674	4,841,125	3,315,634	18,709,165	4,716,250	1,353,579	1,437,578	4,632,251	14,076,914	12,467,424
	352,064,449	92,934,896	3,315,634	441,683,711	109,975,241	16,577,262	1,437,578	125,114,925	316,568,786	242,089,208
CWIP	41,037,077	52,908,373	87,966,181	5,979,269	-	-	-	-	5,979,269	41,037,077
Total	393,101,526	145,843,269	91,281,815	447,662,980	109,975,241	16,577,262	1,437,578	125,114,925	322,548,055	283,126,285
Previous Year	344,434,208	84,702,225	36,034,907	393,101,526	96,492,785	14,432,984	950,528	109,975,241	283,126,285	247,941,423

RATHI BARS LIMITED**SCHEDULE (6)****INVESTMENTS :**

PARTICULARS	AS AT	AS AT
	31st March, 2010 (RUPEES)	31st March, 2009 (RUPEES)
LONG TERM INVESTMENT		
Non Trade, Unquoted:		
a) Govt. Securities		
National Saving Certificates	6,045	6,045
b) Others		
Mutual Funds	179,989,920	189,343,350
Trade, Quoted:		
Equity shares	5,575,463	6,300,373
TOTAL	185,571,428	195,649,768

SCHEDULE (7)**INVENTORIES :**

PARTICULARS	AS AT	AS AT
	31st March, 2010 (RUPEES)	31st March, 2009 (RUPEES)
Finished goods	68,147,473	67,837,602
Raw material	32,632,142	51,130,430
Stores & spares	1,578,200	1,502,304
Oil & fuel	614,954	647,089
Scrap	2,223,318	5,036,211
TOTAL	105,196,087	126,153,636

SCHEDULE (8)**SUNDRY DEBTORS (Unsecured But Considered Good)**

PARTICULARS	AS AT	AS AT
	31st March, 2010 (RUPEES)	31st March, 2009 (RUPEES)
Debts outstanding for more than six months	24,819,467	13,801,844
Others*	278,258,649	215,870,190
TOTAL	303,078,116	229,672,034

* (Refer item 2b of Notes of Accounts)

RATHI BARS LIMITED

SCHEDULE (9)

CASH & BANK BALANCES

PARTICULARS	AS AT	AS AT
	31st March, 2010	31st March, 2009
	(RUPEES)	(RUPEES)
Cash in hand	1,256,506	553,311
Balances with scheduled banks in current accounts	2,150,439	4,968,154
TOTAL	3,406,945	5,521,465

SCHEDULE (10)

LOANS & ADVANCES :

PARTICULARS	AS AT	AS AT
	31st March, 2010	31st March, 2009
	(RUPEES)	(RUPEES)
Advance recoverable in cash or in kind or for value to be received	122,834,424	120,224,927
MAT Credit Entitlement	3,125,863	-
Advance tax & TDS	6,712,636	7,080,084
Security deposits	23,990,914	25,236,414
TOTAL	156,663,837	152,541,425

SCHEDULE (11)

CURRENT LIABILITIES & PROVISIONS :

PARTICULARS	AS AT	AS AT
	31st March, 2010	31st March, 2009
	(RUPEES)	(RUPEES)
CURRENT LIABILITIES		
Sundry creditors*	121,554,234	105,404,536
Advance received from customers	49,751,551	30,348,034
Interest accrued but not due for Payment	523,934	240,194
Other current liabilities	14,058,431	12,726,951
	185,888,150	148,719,715
PROVISIONS		
Provision for taxation	7,367,737	7,740,658
TOTAL	193,255,887	156,460,373

* See Notes on Accounts- , Schedule-16 item 2c

RATHI BARS LIMITEDSCHEDULE (12)INCREASE / (DECREASE) IN STOCK

PARTICULARS	YEAR	YEAR
	2009-10	2008-09
	(RUPEES)	(RUPEES)
OPENING STOCK		
Finished goods	67,837,602	41,791,589
Scrap	5,036,211	2,776,724
	<u>72,873,813</u>	<u>44,568,313</u>
CLOSING STOCK		
Finished goods	68,147,473	67,837,602
Scrap	2,223,318	5,036,211
	<u>70,370,791</u>	<u>72,873,813</u>
Increase / (Decrease) in stocks	(2,503,022)	28,305,500

SCHEDULE (13)MANUFACTURING EXPENSES

PARTICULARS	YEAR	YEAR
	2009-10	2008-09
	(RUPEES)	(RUPEES)
Purchases	11,857,256	12,117,001
Raw Material Consumption	1,573,046,844	1,932,358,319
Stores & spares	38,873,863	37,351,938
Excise duty paid	162,407,197	275,645,547
Educational cess paid	3,247,110	5,512,942
Secondary & Higher Education Cess paid	1,623,513	2,756,469
Export Fees	-	5,807,168
Power & fuel	229,956,437	218,638,895
Labour wages	4,772,748	5,082,767
Production contract wages	22,890,879	21,390,799
Salaries	3,320,335	3,317,051
Employees welfare	514,334	1,198,275
Provident fund (Employers)	273,836	270,454
Gratuity	4,964	124,167
Repairs & maintenance	4,806,247	7,533,175
TOTAL	<u>2,057,595,563</u>	<u>2,529,104,967</u>

RATHI BARS LIMITED

SCHEDULE (14)

ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES

PARTICULARS	YEAR	
	2009-10	2008-09
	(RUPEES)	(RUPEES)
Administrative charges	126,570	98,830
Advertisement & Selling Expenses	194,625	772,777
Auditor's fees	90,000	80,000
Bonus	188,083	210,833
Books & periodicals	4,230	12,297
Commission & brokerage	492,118	794,759
Directors salary	6,960,000	6,960,000
Donation	66,800	104,836
Freight & cartage and consignment expenses	13,820,229	10,708,489
General expenses	1,571,329	939,520
Generator Running Expenses	986,170	598,982
Insurance	825,964	496,258
Keyman insurance policy	1,730,989	1,711,993
Legal & professional charges	850,588	2,082,324
Listing Expenses	128,040	114,092
Loss on sale of Vehicles	1,184,723	119,373
Postage expenses	146,253	145,553
Printing & stationery	484,508	598,966
Royalty	413,472	413,742
Rates, taxes & fees	659,273	341,661
Rent	108,000	80,000
Sales Promotion	343,880	211,997
Security service charges	471,242	376,663
Security Transaction Tax	97,550	47,134
Telephone expenses	928,086	1,120,742
Travelling & conveyance	3,346,946	3,243,092
Vehicles repair & maintenance	2,998,768	3,008,648
TOTAL	39,218,436	35,393,561

SCHEDULE (15)

FINANCIAL CHARGES :

PARTICULARS	YEAR	
	2009-10	2008-09
	(RUPEES)	(RUPEES)
Interest on Term Loans	4,461,820	2,293,428
Others	16,560,979	16,775,344
TOTAL	21,022,799	19,068,772

SCHEDULE-16**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS:****1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:****a. Basis of Accounting:**

Accounts have been prepared under the historical cost convention, in accordance with applicable mandatory accounting standards issued by the institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

b. Revenue Recognition:

The company follows the accrual system of accounting to recognise income and expenditure.

c. Fixed Assets:

All fixed assets are valued at cost (net of CENVAT, wherever applicable) less depreciation. Cost is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use.

d. Expenditure During Construction Period:

Expenditure incurred on projects during implementation is capitalized and apportioned to various assets on commissioning of the project.

e. Depreciation:

Depreciation has been provided on Written Down Value Method on all assets of the company except the new plant and machinery installed under Equipment Re-finance Scheme, Induction Furnace & Vehicles, which are on straight line method.

f. Investments:

- (i) Long Term Investments are stated at cost.
- (ii) Current Investments are stated at lower of cost and fair value.

g. Inventories:

Raw Material, Stores & Spares Parts and Oil & Fuel are valued at cost. Finished goods are valued at cost of production or market value, whichever is less. Scrap is valued at net realization value.

h. Retirement and other Employee Benefits:**i) Defined Contribution Plan**

The company makes defined contribution to provident fund is recognized in the profit & loss account on accrual basis.

ii) Defined Benefit Plan

The company's liabilities under payment of Gratuity Act is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

i. Taxation:

Tax expense comprises of current and deferred tax

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

The deferred tax for timing difference between the books and tax profits for the year is accounted for, using the tax rates and laws have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing difference are recognized to the extent there is reasonable certainty that these would be realized in future

Rathi Bars Limited

Deferred tax assets in case of unabsorbed losses and unabsorbed depreciation are recognized only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits

j. Excise Duty and Cenvat:

Liability towards excise duty on the finished goods is accounted for as and when the goods are cleared from the factory premises and Cenvat benefit is accounted for by reducing the purchase cost of the materials/capital goods.

k. Sales/Turnover:

Sales/Turnover for the year includes Sales Value of goods, Excise Duty.

l. Miscellaneous Expenditure:

The non-allocable deferred revenue expenditures are being written off equally over a period of 5 years.

m. Contingent Liabilities:

Contingent Liabilities are not provided for and are disclosed by way of notes.

2. Notes on Accounts:

- a. The company has provided liabilities on account of Defined Benefit Obligation on the basis of actuarial valuation as given by actuarial valuer, detailed disclosure in terms of AS-15 (Revised) could not be made. However, in the opinion of the management, the amount is not material and defined benefit obligation has been provided.
- b. The Sundry Debtors includes Rs. 31,41,392.00 due by Rathi Oxygen Pvt. Ltd. under the same management.
- c. Current Liabilities & Provisions:
 - i) Sundry creditors includes Rs. 7.15 lacs (31-3-2009: Rs. 24.80 lacs) due to Small Scale Industrial Undertakings (SSI Units) as identified by the Company and relied upon by the auditors.
 - ii) The company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.
- d. Payment to Auditors in respect of:

	Year ended on 31 st March, 2010	Year ended on 31 st March, 2009
A Audit Fees	Rs. 60,000.00	Rs. 50,000.00
B Fee for Limited Review	Rs. 20,000.00	Rs. 20,000.00
C Out of Pocket Expenses	Rs. 10,000.00	Rs. 10,000.00

e. Expenditure in Foreign Currency:

	Year ended on 31 st March, 2010	Year ended on 31 st March, 2009
Traveling	Rs. 6,95,498.00	Rs. 8,43,524.00

f. Earning Per Share (EPS):

	Year ended on 31 st March, 2010
i Profit after taxation as per Profit and Loss Account (in Rs.)	4,77,36,823.00
ii Weighted Average number of equity shares outstanding	1,63,30,357.00
iii Basic and Diluted earnings per share (in Rs.)	2.92

g. Related Party Disclosures, as required in terms of Accounting Standard (AS-18) are given below:

(Rs. In Lacs)

A. List of Related Parties	Purchase of Goods	Sale of Goods	Remuneration / Salary	Inter- corporate Deposits Taken	Refund of Inter- corporate Deposits Taken
1 Key Managerial Personnel					
a Mr. Kamlesh Kumar Rathi (Managing Director)	--	--	30.00	26.00	--
b Mr. Anupam Rathi (Director)	--	--	19.80	4.00	--
c Mr. Anurag Rathi (Director)	--	--	19.80	13.00	--
2 Relatives of Key Managerial Personnel					
a Mrs. Pushpa Rathi	--	--	5.76	--	--
b Mrs. Parnika Rathi	--	--	5.40	5.00	--
c Mrs. Nandita Rathi	--	--	5.40	--	--
3 Companies / Associates in which the Key Managerial Personnel and/or their relatives exercise significant influence					
a M/s Rathi Oxygen (P) Ltd.	--	31.42	--	--	--
b M/s Rathi Special Steels Ltd.	680.84	1202.68	--	--	--
c Anupam Rathi (HUF)	--	--	--	--	52.25
d Anurag Rathi (HUF)	--	--	--	--	51.50

Rathi Bars Limited

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

<u>Particulars</u>	<u>As on</u> <u>31.03.2010</u> <u>(Amt. in Rs.)</u>	<u>As on</u> <u>31.03.2009</u> <u>(Amt. in Rs.)</u>
Depreciation	4,39,39,584	3,81,29,721
Carried Forward unabsorbed depreciation	64,02,032	---
	3,75,37,551	3,81,29,721
Increase in Deferred Tax Assets		5,92,170

i. Market value of Investment in Quoted Equity Shares Rs. 29,52,310.00 (Previous Year: Rs. 27,09,527.00)

j. Contingent liabilities not provided for:

Claims against the Company not acknowledged as debts (to the extent ascertained) in respect of various demands etc. raised, which in the opinion of the management are not tenable are under appeal at various stages:

	<u>Current Year</u> <u>(Rupees)</u>	<u>Previous Year</u> <u>(Rupees)</u>
Excise Duty cases	1,23,41,270	1,23,41,270
Sale Tax cases	11,49,500	11,49,500
	1,34,90,770	1,34,90,770

k. The figures of previous year have been re-arranged/re-grouped wherever felt necessary.

3. QUANTITATIVE INFORMATION :

A. PRODUCTION & PURCHASE

Particulars		As at 31.03.2010	As at 31.03.2009
1.	Licensed Capacity CTD/TMT Bars	100000.000 MT	100000.000 MT
	Ingot	68500.000 MT	68500.000 MT
2.	Actual Production & Purchase		
	Steel Bars*	67752.835 MT	61175.195 MT
	Ingot	30663.480 MT	27696.100 MT
	TOTAL	<u>98416.315</u> MT	<u>88871.295</u> MT

67752.835 M.T. Includes 97.470 M.T. Trading Purchase of Steel Bars (Previous Year: 336.190 M.T.)

B. STOCKS

Particulars	Opening Stock				Closing Stock			
	As at 01.04.2009		As at 01.04.2008		As at 31.03.2010		As at 31.03.2009	
	QTY. (IN MT)	AMOUNT (IN Rs.)	QTY. (IN MT)	AMOUNT (IN Rs.)	QTY. (IN MT)	AMOUNT (IN Rs.)	QTY. (IN MT)	AMOUNT (IN Rs.)
Steel Bars	1876.850	56191358	1181.025	32419007	1978.850	56151408	1876.850	56191358
Ingot	493.660	11646244	401.090	9372582	515.140	11996065	493.660	11646244
TOTAL	2370.510	67837602	1582.115	41791589	2493.990	68147473	2370.510	67837602

C. DESPATCH

Particulars	As at 31.03.2010		As at 31.03.2009	
	QTY. (IN MT)	AMOUNT (IN Rs.)	QTY. (IN MT)	AMOUNT (IN Rs.)
Steel Bars*	67650.835	2009722315	60479.370	2200610539
Ingot**	30642.000	116044828	27603.530	336161714
Scrap, Commission etc		42687349		52168537
	98292.835	2168454492	88082.900	2588940790

* 67650.835 M.T. Includes 97.470 M.T. Trading Sale of Steel Bars (Previous Year: 337.850 M.T.)

** 30642.000 M.T. Includes 26153.000 M.T. Used For Production of Steel Bars (Previous Year: 17890.000 M.T.)

D. CONSUMPTION

Particulars	As at 31.03.2010		As at 31.03.2009	
	QTY. (IN MT)	AMOUNT (IN Rs.)	QTY. (IN MT)	AMOUNT (IN Rs.)
Ingots	74863.065	1074143018	69484.205	1365299069
Scrap/Sponge Iron	37160.331	498903826	34850.799	567059250
Stores & Spares		38873863		37351938
TOTAL	112023.396	1611920707	104335.004	1969710257

Note : All Raw Material, Stores & Spares are indigenous.

For and on BEHALF OF THE BOARD OF DIRECTORS

(COMPANY SECRETARY)

(MANAGING DIRECTOR)

(DIRECTOR)

Place : New Delhi
Date : 06.09.2010

For A.K. VAISH & Co.
Chartered Accountants

A.K. VAISH
PROPRIETOR
Membership No. 71088

Rathi Bars Limited
Cash Flow statement for the year ended 31st March, 2010
(Rs. in Lacs)

S. No:	Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
A	Cash Flow from operating activities:		
	Profit Before Taxation	461.84	377.12
	Adjustments for:		
	Depreciation	165.77	144.33
	Interest and Financial Charges	210.23	190.69
	Misc. Expenditure written off	0.00	1.11
	Pre-operative Expenses	0.00	0.00
	Loss/(Profit) on Mutual Fund	(37.78)	(102.45)
	Interest Income & Others	(11.68)	(10.83)
	Dividend Income	(93.88)	(64.88)
	Operating Profit before working capital changes	694.50	535.09
	Decreased (Increase) in Trade Receivables	(734.06)	191.32
	Decreased (Increase) in Inventories	209.58	(54.77)
	Decreased (Increase) in Loan & Advances	(13.64)	(125.62)
	Increase (Decrease) in Current Liabilities and Provisions	346.57	(492.13)
	Cash Generated from operations	502.95	53.89
	Income Tax paid	3.20	(10.95)
	Net cash provided by operating activities	506.15	42.94
B	Cash flow from investing activities:		
	Proceeds from sale of fixed assets	18.78	5.11
	Purchase of Investments	100.78	(7.76)
	Purchase of Fixed assets and Capital Work in Progress	(578.77)	(501.29)
	Loss/(Profit) on Mutual Fund	37.78	102.45
	Income from Dividend	11.68	10.83
	Income from Interest	93.88	64.88
	Net cash used in investing activities	(315.87)	(325.78)
C	Cash Flow from Financing Activities		
	Proceeds from Share Capital (Including Premium)	0.00	0.00
	Increase / (Decrease) in Reserves & Surplus	0.21	5.62
	Increase in Long Term Borrowing (Net)	(0.65)	337.90
	Increase (Decrease) in Unsecured Loan	(0.75)	0.70
	Interest Paid	(210.23)	(190.69)
	Net Cash used in Financing Activities	(211.42)	153.53
D	Net increase (decrease) in cash and cash equivalents	(21.14)	(129.31)
E	Cash and Cash Equivalent at the begning of the year	55.21	184.53
F	Cash and Cash Equivalent at the end of the year	34.07	55.22

For and on BEHALF OF THE BOARD OF DIRECTORS

(COMPANY SECRETARY)

(MANAGING DIRECTOR)

(DIRECTOR)

 For A.K. VAISH & Co.
Chartered Accountants

 A.K. VAISH
PROPRIETOR
Membership No. 71088

RATHI BARS LIMITED
A-24/7, Mohan Co-operative Industrial Estate, New Delhi-110044

Attendance Slip	DP ID		Folio No.	
	Client ID		No. of Equity Shares Held	

I hereby record my presence at the 17th Annual General Meeting of the Company being held at the A-24/7, Mohan Co-operative Industrial Estate, New Delhi-110044 on Thursday the 30th September, 2010 at 10.00 A.M.

Name of Shareholder
Name of the proxy-holder/ Authorized Representative (in block letters)

Signature of the Shareholder/Proxy/Authorized Representative

- Note:
1. A member/proxy/authorized representative wishing to attend the meeting must complete this Attendance Slip before coming to the Meeting and hand it over at the entrance.
 2. If you intend to appoint a proxy, please complete, stamp, sign and deposit the Proxy Form given below at the Company's Registered Office at least 48 hours before the meeting.

Proxy Form

17thAGM

RATHI BARS LIMITED
A-24/7, Mohan Co-operative Industrial Estate, New Delhi-110044

I/We -----
of -----being a member/members of Rathi Bars Ltd. Hereby
appoint:
Shri/Smt./Km.----- of -----
or failing him Shri/Smt./Km.----- of -----
or failing him Shri/Smt./Km.----- of -----
as my/our proxy in my/our absence to attend and vote for me/our behalf at the 17th Annual General Meeting of the Company to be held on the 30th September, 2010 at 10.00 A.M. and at any adjournment thereof.
Signed this ----- day of ----- 2010.

Folio No.		DP ID		Signature (s).....	Revenue Stamp
No. of Equity Shares Held		Client ID			

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

BOOK-POST
UPC

if undelivered please return to

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