



18th Annual Report
2010-2011

RATHI BARS LIMITED

BOARD OF DIRECTORS	<p>Sh. Kamlesh Kumar Rathi Sh. Anupam Rathi Sh. Anurag Rathi Sh. Harkishore Kejriwal Sh. Ashok Kumar Garg Sh. Binod Kumar Maheshwari</p>
AUDITORS	<p>M/s A. K. Vaish & Co. (Chartered Accountants) B-101, Gateway Towers, 24, Sector-IV, Vaishali, Distt. Ghaziabad (U.P.)- 201010</p>
BANKERS	<p>State Bank of Bikaner & Jaipur A-1/19, Safdarjung Enclave, New Delhi-110029</p>
REGISTERED OFFICE	<p>A-24/7, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi-110044 Ph:011-43165400 Fax: 011-40597117 Email: contact@rathisteels.com</p>
WORK OFFICE	<p>SP1,-7, RIICO Industrial Area, Khushkhera, P.O. Tapukra, Distt. Alwar, Rajasthan-301707 Ph.: 01493-2518855</p>
REGISTRAR & SHARE TRANSFER AGENT	<p>M/s MAS Services Limited, T-34, Second Floor, Okhla Industrial Area, Phase II, New Delhi-110020 Ph: 011-26387281-83</p>

NOTICE

NOTICE is hereby given that Eighteenth Annual General Meeting of the Members of **M/S RATHI BARS LIMITED** will be held on **Friday, 30th day of September, 2011 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, 2011 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, 2011, 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 Anupam Rathi, 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 Harkishore Kejriwal, 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”.

By order of the Board of Directors
FOR RATHI BARS LIMITED

Place: New Delhi
Date: 5th September, 2011

Sd/-
Kamlesh Kumar Rathi
(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 48th 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 24th September 2011 to 30th September, 2011 (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.
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 in 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

Sd/-
Kamlesh Kumar Rathi
(Managing Director)

Place: New Delhi
Date: 5th September, 2011

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Eighteenth Annual Report of your Company together with the Audited Accounts for the year ended March 31st, 2011.

(Rupees in Lakhs)

FINANCIAL RESULTS

	Year 2010-2011	Year 2009-2010
Income from Operations	21066.81	21684.54
Profit before Interest, Depreciation and Tax	915.08	837.84
Depreciation	215.77	165.77
Interest	224.77	210.23
Profit before Tax (PBT)	474.54	461.84
Profit after Tax (PAT)	482.06	477.37

REVIEW OF OPERATIONS AND FUTURE OUTLOOK

The Company has made a profit of Rs. 482.06/- Lakhs (After tax) 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 Anupam Rathi & Shri Harkishore Kejriwal, 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 57105.670 MT Steel Bars and 33133.475 MT Ingots/Billets as against production of 67655.365 MT Steel Bars and 30663.480 MT ingots during the corresponding period of last year.

SHARE CAPITAL

During the year, there is no change in the capital of the Company.

AUDITORS

M/s A. K. Vaish & Co., Chartered Accountants, retire at the conclusion of this Annual General Meeting and being eligible, offers 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 GOVERNANCE

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, A 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 2011-2012.

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 3,70,67,874 units of Electricity, 580.720 M.T. of Oil and 86209.77 MMBTU of Gas.

B) TECHNOLOGY ABSORPTION

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO (IN Rs.)

During the year under review:

Foreign Exchange Earned	NIL
Foreign Exchange Outgo	NIL

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 at all levels.

By order of the Board of Directors
FOR RATHI BARS LIMITED

Place: New Delhi	Sd/- Kamlesh Kumar Rathi (Managing Director)	Sd/- Anupam Rathi (Whole Time Director)
Date: 5 th September, 2011		

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, 2011 as envisaged in Clause 49 of the Listing Agreement with Stock Exchange.

Place: New Delhi	Sd/- Kamlesh Kumar Rathi Managing Director
Date: 05.09.2011	

CERTIFICATE BY MANAGING DIRECTOR AND WHOLE TIME DIRECTOR:

Pursuant to the provisions of Clause 49 of the Listing Agreement with Stock Exchange, regarding the financial reporting for the year ended 31st March 2011, It is 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: 05.09.2011

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 2010-2011. 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, 2011 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.

2. BOARD OF DIRECTORS

A. Composition and Size of the Board

The composition of the Board of Directors as at 31st March 2011 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 2010-11 on 15th May 2010, 14th August 2010, 6th September, 2010, 15th November, 2010, and 15th February 2011. All the relevant information needed for taking decisions by the Board is made available to the Directors at the meetings.

Rathi Bars Limited

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 Director-ship (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	5	Nil	Nil
2	Sh. Anupam Rathi	5	YES	6	Nil	Nil
3	Sh. Anurag Rathi	5	YES	7	Nil	Nil
4	Sh. Harkishore Kejriwal	5	No	2	Nil	Nil
5	Sh. Ashok Kumar Garg	5	No	6	Nil	Nil
6	Sh. Binod Kumar Maheshwari	3	No	14	Nil	Nil

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

Shri Harkishore Kejriwal, being the Independent & Non-Executive Director of the Company & has been on the Board of the Company since January, 2007. He has made valuable contribution to the Board through his vast experience. Shri Anupam Rathi is the Whole-Time Director of the Company and is in-charge of the operations of the Factory and looks after production process of the Company.

3. 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 committee 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. 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, subdivision 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 had received complaints from two shareholders during the year which were duly resolved within the specified time.

Further, the Company had received Rematerialization request from one shareholder during the year which was duly approved within the specified time.

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 Resolutions passed (in addition to ordinary business)
2009-2010 (AGM)	A-24/7, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-110044	Thursday, 30th September, 2010	10.:00 AM	Three
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

The Company's shareholders have passed no resolution through postal ballot during the Financial Year 2010-11.

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. (f) 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	:	Friday, 30 th September, 2011 at 10.00A. M.
-Venue	:	A-24/7, Mohan Co-operative Industrial Estate, New Delhi-110044

Financial Calender

Financial Year	:	1 st April, 2010 to 31 st March, 2011
First Quarter Results	:	14 th August, 2010
Second Quarter Results	:	15 th November, 2010
Third Quarter Results	:	15 th February, 2011
Fourth Quarter Results	:	13 th May, 2011
Annual General Meeting for the year ending March 31, 2010	:	30th September, 2010

Dividend Payment Date	:	NA
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Listing on Stock Exchanges	:	Bombay Stock Exchange Ltd. Floor 25, P J Towers, Dalal Street, Mumbai - 400 001
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Rathi Bars Limited

Market Price Data			Market Price Data		
Bombay Stock Exchange			Bombay Stock Exchange		
Month	High(Rs.)	Low(Rs.)	Month	High(Rs.)	Low(Rs.)
April, 10	18.20	09.75	Oct, 10	14.95	12.46
May, 10	22.70	13.10	Nov, 10	15.34	11.00
June, 10	19.65	14.30	Dec, 10	12.60	10.30
July, 10	16.25	14.25	Jan, 11	12.40	09.50
August, 10	16.80	12.70	Feb, 11	10.39	07.75
Sept, 10	15.95	12.85	Mar, 11	08.88	07.20

10. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2011

SHAREHOLDING	NO. OF SHARE-HOLDERS	%AGE	NO.OF SHARES	%AGE
Upto-5000	7792	71.81	1640712	10.05
5001-10000	1652	15.22	1247175	7.64
10001-20000	961	8.86	1351768	8.28
20001-30000	174	1.60	445455	2.73
30001-40000	67	0.62	240551	1.47
40001-50000	58	0.54	274689	1.68
50001-100000	75	0.69	542532	3.32
100001-Above	72	0.66	10587475	64.83
TOTAL	10851	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:

- The Registrar & Transfer Agent -
M/s MAS Services Limited,
T-34, Second Floor, Okhla Industrial Area,
Phase II New Delhi-110020.**
- OR**
- 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 comparing with the previous year which was characterized by Moderate Growth in advanced economies, Growth in emerging and developing economies and Global liquidity improvement through opening of debts and equity capital enabling several corporations to raise capital to meet funding requirements. The Indian economy was one of the fastest growing economies to recover from the economic crisis registering a second year of accelerated growth. The Indian economy grew at a robust rate of 8.50 % in 2010-11. The confidence in the Indian Growth story was reflected by the record FII inflows in the economy and revival in investor confidence helping the Indian stocks markets regain pre-crisis record level.

INDIAN STEEL INDUSTRY

The Indian Steel Industry ranks fifth in the world with an estimated crude steel production of 63 Mn.T in FY 2010-11. Integrated steel producers contributed 55% of the total crude steel production in 2010-11 and 45% by secondary producers. During 2010-11, Steel consumption grew at a healthy 10% owing to strong demand from the infrastructure, construction, automobile and industrial sectors.

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.

Rathi Bars Limited

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, 2011, 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: 05th September, 2011

Sd/-
A.K. Vaish
Proprietor
Membership No.71088

AUDITORS' REPORT

To the Members,

RATHI BARS LIMITED

We have audited the attached Balance Sheet of RATHI BARS LIMITED as at 31st March, 2011, 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.
2. 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.
3. 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, 2011 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Rathi Bars Limited

- 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, 2011;
 - 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 : 05.09.2011

Sd/-
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. 1,66,08,000/- (Rupees One Crore Sixty Six Lacs Eight 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.
 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, 2011 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 utilized 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 : 05.09.2011

Sd/-
A. K. VAISH
PROPRIETOR
Membership No.71088

AUDITED BALANCE SHEET AS AT 31st MARCH, 2011

PARTICULARS	SCHEDULE	AS AT 31st March, 2011 (RUPEES)	AS AT 31st March, 2010 (RUPEES)
I SOURCES OF FUNDS			
1. SHARE HOLDERS FUNDS			
a. Share capital	[1]	163,303,570	163,303,570
b. Reserves & surplus	[2]	498,871,805	450,666,071
2. LOAN FUNDS			
a. Secured loans	[3]	197,899,503	182,752,645
b. Unsecured loans	[4]	48,948,744	48,948,744
3. DEFERRED TAX LIABILITIES (NET) (Refer item 2g of Notes of Accounts)			
		36,248,242	37,537,551
	TOTAL	945,271,864	883,208,581
II APPLICATION OF FUNDS			
1. FIXED ASSETS			
a. Gross block	[5]	456,385,326	441,683,711
b. Less : Depreciation		144,985,447	125,114,925
c. Net block		311,399,879	316,568,786
d. Add : Capital -in-progress		16,451,202	5,979,269
	SUB TOTAL	327,851,081	322,548,055
2. INVESTMENTS			
	[6]	169,377,213	185,571,428
3. CURRENT ASSETS, LOAN & ADVANCES			
a. Inventories	[7]	75,439,375	105,196,087
b. Sundry debtors	[8]	396,809,781	303,078,116
c. Cash & bank balances	[9]	25,738,569	3,406,945
d. Loans & advances	[10]	158,876,210	156,663,837
	SUB TOTAL	656,863,935	568,344,985
e. Less : Current liabilities & provisions	[11]	208,820,365	193,255,887
f. Net current assets		448,043,570	375,089,098
	TOTAL	945,271,864	883,208,581

Significant Accounting Policies & Notes on Accounts [16]

As per our report of even date attached

For A.K. Vaish & Co.

Chartered Accountants

Sd/-

A.K.Vaish

Proprietor

Membership No. 71088

Sd/-

Piyush Agarwal

(Company Secretary)

Sd/-

Kamlesh Kumar Rathi

(Managing Director)

Sd/-

Anupam Rathi

(Whole Time Director)

Place : New Delhi

Date : 05.09.2011

AUDITED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

PARTICULARS	SCHEDULE	YEAR 2010-11 (RUPEES)	YEAR 2009-10 (RUPEES)
INCOME			
Income from Operation		2,106,681,318	2,168,454,492
Other Income		9,719,100	14,646,979
Increase / (Decrease) in Stocks	[12]	(29,841,957)	(2,503,022)
		2,086,558,461	2,180,598,449
EXPENDITURE			
Manufacturing Expenses	[13]	1,959,223,645	2,058,087,681
Administrative, Selling & Distribution Expenses	[14]	35,826,656	38,726,318
Financial Charges	[15]	22,477,457	21,022,799
Depreciation		21,576,894	16,577,262
		2,039,104,652	2,134,414,060
Net Profit Before Tax		47,453,809	46,184,389
Add: Excess provision for taxation		-	15,295
: Excess provision of Wealth Tax		-	5,282
: Mat Credit Entitlement		4,506,583	3,125,863
: Deferred Tax Assets / (Liabilities)		1,289,309	592,170
(Refer item 2g of Notes of Accounts)			
Less: Income Tax for the Year		5,005,000	2,139,000
Wealth Tax		38,967	47,176
Profit After Tax		48,205,734	47,736,823
Add: Balance brought forward		269,535,709	221,798,886
Balance carried forward		317,741,443	269,535,709

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

Sd/-

A.K.Vaish

Proprietor

Membership No. 71088

Sd/-

Piyush Agarwal

(Company Secretary)

Sd/-

Kamlesh Kumar Rathi

(Managing Director)

Sd/-

Anupam Rathi

(Whole Time Director)

Place : New Delhi

Date : 05.09.2011

Rathi Bars Limited**SCHEDULE (1)****SHAREHOLDERS FUNDS :**

PARTICULARS	AS AT	AS AT
	31st March, 2011	31st March, 2010
	(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 Equity Shares) of Rs. 10 each Called-up and Fully Paid-up.	163,303,570	163,303,570
TOTAL	163,303,570	163,303,570

SCHEDULE (2)**RESERVES & SURPLUS**

PARTICULARS	AS AT	AS AT
	31st March, 2011	31st March, 2010
	(RUPEES)	(RUPEES)
Profit & loss account	317,741,443	269,535,709
Share Premium	178,571,425	178,571,425
Reserve for deferred taxes	2,558,937	2,558,937
	498,871,805	450,666,071

SCHEDULE (3)**SECURED LOANS :**

PARTICULARS	AS AT	AS AT
	31st March, 2011 (RUPEES)	31st March, 2010 (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)	17,770,000	26,658,000
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)	8,647,019	12,433,694
B. WORKING CAPITAL LIMITS		
State Bank of Bikaner & Jaipur, New Delhi (Secured by hypothecation of stock & Book debts and Guaranteed by Executive Directors)	161,620,907	135,912,192
C. AUTOMOBILE LOANS		
1. From HDFC Bank	7,598,666	6,098,763
2. From Tata Capital Ltd.	72,581	231,218
3. From Kotak Mahindra Bank Ltd.	874,014	1,418,778
4. From ICICI Bank Ltd. (Secured by Hypothecation of relevent Vehicle)	1,316,316	-
TOTAL	197,899,503	182,752,645

SCHEDULE (4)**UNSECURED LOANS**

PARTICULARS	AS AT	AS AT
	31st March, 2011 (RUPEES)	31st March, 2010 (RUPEES)
INTEREST FREE LOANS		
From Body Corporates & Directors	16,608,000	17,780,000
Security deposits	32,340,744	31,168,744
TOTAL	48,948,744	48,948,744

RATHI BARS LIMITED

**SCHEDULE (5)
FIXED ASSETS**

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2010	Addition	Deletion	As at 31.03.2011	Up to 31.03.2010	Addition	Deduction	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land	3,921,141	-	-	3,921,141	-	-	-	-	3,921,141	3,921,141
Building Plant & Machinery	41,500,587	-	-	41,500,587	10,387,646	1,327,270	-	11,714,916	29,785,671	31,112,941
Tubewell	376,936,624	11,816,393	-	388,753,017	109,647,980	18,375,010	-	128,022,990	260,730,027	267,288,644
Furniture	222,080	-	-	222,080	170,755	5,133	-	175,888	46,192	51,325
Vehicle	394,114	72,525	-	466,639	276,293	31,793	-	308,086	158,553	117,821
	18,709,165	6,934,123	4,121,426	21,521,862	4,632,251	1,837,688	1,706,372	4,763,567	16,758,295	14,076,914
	441,683,711	18,823,041	4,121,426	456,385,326	125,114,925	21,576,894	1,706,372	144,985,447	311,399,879	316,568,786
CWIP	5,979,269	19,854,464	9,382,531	16,451,202	-	-	-	-	16,451,202	16,451,202
Total	447,662,980	38,677,505	13,503,957	472,836,528	125,114,925	21,576,894	1,706,372	144,985,447	327,851,081	333,019,988
Previous Year	393,101,526	156,315,202	91,281,815	458,134,913	109,975,241	16,577,262	1,437,578	125,114,925	333,019,988	283,126,285

SCHEDULE (6)**INVESTMENTS :**

PARTICULARS	AS AT	AS AT
	31st March, 2011 (RUPEES)	31st March, 2010 (RUPEES)
LONG TERM INVESTMENT		
Non Trade, Unquoted:		
a) Govt. Securities		
National Saving Certificates	6,045	6,045
b) Others		
Mutual Funds	163,952,510	179,989,920
Trade, Quoted:		
Equity shares	5,418,658	5,575,463
TOTAL	169,377,213	185,571,428

SCHEDULE (7)**INVENTORIES :**

PARTICULARS	AS AT	AS AT
	31st March, 2011 (RUPEES)	31st March, 2010 (RUPEES)
Finished goods	37,564,719	68,147,473
Raw material	33,837,716	32,632,142
Stores & spares	1,072,825	2,193,154
Scrap	2,964,115	2,223,318
TOTAL	75,439,375	105,196,087

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

PARTICULARS	AS AT	AS AT
	31st March, 2011 (RUPEES)	31st March, 2010 (RUPEES)
Debts outstanding for more than six months	27,368,217	24,819,467
Others	369,441,564	278,258,649
TOTAL	396,809,781	303,078,116

Rathi Bars Limited**SCHEDULE (9)****CASH & BANK BALANCES**

PARTICULARS	AS AT	AS AT
	31st March, 2011	31st March, 2010
	(RUPEES)	(RUPEES)
Cash in hand	1,369,827	1,256,506
Balances with scheduled banks in current accounts	24,368,742	2,150,439
TOTAL	25,738,569	3,406,945

SCHEDULE (10)**LOANS & ADVANCES :**

PARTICULARS	AS AT	AS AT
	31st March, 2011	31st March, 2010
	(RUPEES)	(RUPEES)
Advance recoverable in cash or in kind or for value to be received	106,362,814	122,834,424
MAT Credit Entitlement	7,632,446	3,125,863
Advance tax & TDS	20,934,036	6,712,636
Security deposits	23,946,914	23,990,914
TOTAL	158,876,210	156,663,837

SCHEDULE (11)**CURRENT LIABILITIES & PROVISIONS :**

PARTICULARS	AS AT	AS AT
	31st March, 2011	31st March, 2010
	(RUPEES)	(RUPEES)
CURRENT LIABILITIES		
Sundry creditors*	124,154,568	121,554,234
Advance received from customers	44,939,206	49,751,551
Interest accrued but not due for Payment	333,853	523,934
Other current liabilities	26,981,034	14,058,431
	196,408,661	185,888,150
PROVISIONS		
Provision for taxation	12,411,704	7,367,737
TOTAL	208,820,365	193,255,887

*See Notes on Accounts- Schedule-16 item 2(b)

SCHEDULE (12)**INCREASE / (DECREASE) IN STOCK**

PARTICULARS	YEAR 2010-11 (RUPEES)	YEAR 2009-10 (RUPEES)
OPENING STOCK		
Finished goods	68,147,473	67,837,602
Scrap	2,223,318	5,036,211
	70,370,791	72,873,813
CLOSING STOCK		
Finished goods	37,564,719	68,147,473
Scrap	2,964,115	2,223,318
	40,528,834	70,370,791
Increase / (Decrease) in stocks	(29,841,957)	(2,503,022)

SCHEDULE (13)**MANUFACTURING EXPENSES**

PARTICULARS	YEAR 2010-11 (RUPEES)	YEAR 2009-10 (RUPEES)
Purchases	811,635	11,857,256
Raw Material Consumption	1,460,722,488	1,573,538,962
Stores & spares	51,722,014	38,873,863
Excise duty paid	184,402,031	162,407,197
Educational cess paid	3,688,086	3,247,110
Secondary & Higher Education Cess paid	1,844,053	1,623,513
Power, Gas & fuel	220,351,656	229,956,437
Labour wages	4,661,385	4,772,748
Production contract wages	25,526,734	22,890,879
Salaries	3,324,990	3,325,299
Employees welfare	1,278,671	514,334
Provident fund (Employers)	253,690	273,836
Repairs & maintenance	636,212	4,806,247
TOTAL	1,959,223,645	2,058,087,681

Rathi Bars Limited**SCHEDULE (14)
ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES**

PARTICULARS	YEAR 2010-11 (RUPEES)	YEAR 2009-10 (RUPEES)
Administrative charges	113,401	126,570
Advertisement & Selling Expenses	244,647	194,625
Auditor's fees	125,000	90,000
Bonus	171,945	188,083
Books & periodicals	11,820	4,230
Directors salary	6,960,000	6,960,000
Donation	55,200	66,800
Freight & cartage and consignment expenses	9,624,643	13,820,229
General expenses	1,742,940	1,571,329
Generator Running Expenses	919,720	986,170
Insurance	723,260	825,964
Keyman insurance policy	1,371,683	1,730,989
Legal & professional charges	2,100,826	850,588
Listing Expenses	118,056	128,040
Loss on sale of Vehicles	1,310,610	1,184,723
Postage expenses	123,628	146,253
Printing & stationery	465,438	484,508
Royalty	417,840	413,472
Rates, taxes & fees	1,377,277	659,273
Rent	108,000	108,000
Sales Promotion	218,381	343,880
Security service charges	525,292	471,242
Security Transaction Tax	67,730	97,550
Telephone expenses	1,132,216	928,086
Travelling & conveyance	2,107,254	3,346,946
Vehicles repair & maintenance	3,689,849	2,998,768
TOTAL	35,826,656	38,726,318

**SCHEDULE (15)
FINANCIAL CHARGES :**

PARTICULARS	YEAR 2010-11 (RUPEES)	YEAR 2009-10 (RUPEES)
Interest on Term Loans	3,980,702	4,461,820
Others (inclusive of Bank charges, Interest on Automobiles loan, Interest on CC etc.)	18,496,755	16,560,979
TOTAL	22,477,457	21,022,799

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 and afterwards & 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 and Stores & Spares Parts 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.

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 includes Sales Value of goods and Excise Duty.

l. Miscellaneous Expenditure:

The non-allocable deferred revenue expenditures are being written off during the year.

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. Current Liabilities & Provisions:

- i) Sundry creditors includes Rs. 9.86 lacs (31-3-2010: Rs. 7.15 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.

c. Payment to Auditors in respect of:

		Year ended on 31 st March, 2011	Year ended on 31 st March, 2010
A	Audit Fees	Rs. 95,000.00	Rs. 60,000.00
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

d. Expenditure in Foreign Currency:

	Year ended on 31 st March, 2011	Year ended on 31 st March, 2010
Traveling	Rs. Nil	Rs. 6,95,498.00

e. Earning Per Share (EPS):

	Year ended on 31 st March, 2011
i Profit after taxation as per Profit and Loss Account (in Rs.)	4,82,05,734.00
ii Weighted Average number of equity shares outstanding	1,63,30,357.00
iii Basic and Diluted earnings per share (in Rs.)	2.95

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

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	--	10.50
b Mr. Anupam Rathi (Director)	--	--	19.80	--	0.70
c Mr. Anurag Rathi (Director)	--	--	19.80	--	0.32
2 Relatives of Key Managerial Personnel					
a Mrs. Pushpa Rathi	--	--	5.76	--	--
b Mrs. Parnika Rathi	--	--	5.40	--	--
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 Special Steels Ltd.	576.60	789.02	--	--	--

Rathi Bars Limited

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

Particulars	As on 31.03.2011 (Amt. in Rs.)	As on 31.03.2010 (Amt. in Rs.)
Depreciation	4,03,23,030	4,39,39,584
Carried Forward unabsorbed depreciation	40,74,788	64,02,032
	3,62,48,242	3,75,37,551
Increase in Deferred Tax Assets		12,89,309

h. Market value of Investment in Quoted Equity Shares Rs. 29,52,337.00 (Previous Year: Rs. 29,52,310.00)

i. 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:

	Current Year (Rupees)	Previous Year (Rupees)
Excise Duty cases	6,71,475	1,23,41,270
Sale Tax cases	Nil	11,49,500
	6,71,475	1,34,90,770

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

3. QUANTITATIVE INFORMATION :

A. PRODUCTION & PURCHASE

Particulars		As at 31.03.2011	As at 31.03.2010
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*	57131.230 MT	67752.835 MT
	Ingot	33133.475 MT	30663.480 MT
	TOTAL	90264.705 MT	98416.315 MT

*57131.23 M.T. Includes 25.560 M.T. Trading Purchase of Steel Bars (Previous Year: 97.470 M.T.)

B. STOCKS

Particulars	Opening Stock				Closing Stock			
	As at 01.04.2010		As at 01.04.2009		As at 31.03.2011		As at 31.03.2010	
	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	1978.850	56151408	1876.850	56191358	876.340	28134914	1978.850	56151408
Ingot	515.140	11996065	493.660	11646244	375.480	9429805	515.140	11996065
TOTAL	2493.990	68147473	2370.510	67837602	1251.820	37564719	2493.990	68147473

C. DESPATCH

Particulars	As at 31.03.2011		As at 31.03.2010	
	QTY. (IN MT)	AMOUNT (IN Rs.)	QTY. (IN MT)	AMOUNT (IN Rs.)
	Steel Bars*	58233.740	1983732856	67650.835
Ingot**	33273.135	84093691	30642.000	116044828
Scrap, Commission etc	-	38854771	-	42687349
	91506.875	2106681318	98292.835	2168454492

* 58233.740 M.T. Includes 25.560 M.T. Trading Sale of Steel Bars (Previous Year: 97.470 M.T.)
** 33273.135 M.T. Includes 30350.000 M.T. Used For Production of Steel Bars (Previous Year: 26153.000 M.T.)

D. CONSUMPTION

Particulars	As at 31.03.2011		As at 31.03.2010	
	QTY. (IN MT)	AMOUNT (IN Rs.)	QTY. (IN MT)	AMOUNT (IN Rs.)
	Ingots*	63221.484	840452293	74863.065
Scrap/Sponge Iron**	39494.547	620270195	37160.331	498903826
Stores & Spares	-	51722014	-	38873863
TOTAL	102716.031	1478251556	112023.396	1611920707

Note : All Raw Material, Stores & Spares are indigenous.
*63221.484 MT includes 30350.000 MT used as Captive Consumption (Previous Year 26153.000 MT)
**39494.547 MT includes 2095.000 MT used as Captive Consumption (Previous Year 2780.000 MT)

For and on Behalf of the Board of Directors

Sd/-
Piyush Agarwal
(Company Secretary)

Sd/-
Kamlesh Kumar Rathi
(Managing Director)

Sd/-
Anupam Rathi
(Whole Time Director)

Place : New Delhi
Date : 05.09.2011

For A.K. VAISH & Co.
Chartered Accountants

Sd/-
A.K. VAISH
PROPRIETOR
Membership No. 71088

Rathi Bars Limited

Cash Flow statement for the year ended 31st March, 2011

(Rs. in Lacs)

S. No.	Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
A	Cash Flow from operating activities:		
	Profit Before Taxation	474.54	461.84
	Adjustments for:		
	Depreciation	215.77	165.77
	Interest and Financial Charges	224.77	210.23
	Misc. Expenditure written off	0.00	0.00
	Pre-operative Expenses	0.00	0.00
	Loss/(Profit) on Mutual Fund	(26.73)	(37.78)
	Interest Income & Others	(12.63)	(11.68)
	Dividend Income	(2.01)	(93.88)
	Operating Profit before working capital changes	873.71	694.50
	Decreased (Increase) in Trade Receivables	(937.32)	(734.06)
	Decreased (Increase) in Inventories	297.57	209.58
	Decreased (Increase) in Loan & Advances	165.16	(13.64)
	Increase (Decrease) in Current Liabilities and Provisions	105.59	346.57
	Cash Generated from operations	504.71	502.95
	Income Tax paid	(142.60)	3.20
	Net cash provided by operating activities	362.11	506.15
B	Cash flow from investing activities:		
	Proceeds from sale of fixed assets	24.15	18.78
	Purchase of Investments	161.94	100.78
	Purchase of Fixed assets and Capital Work in Progress	(292.95)	(578.77)
	Loss/(Profit) on Mutual Fund	26.73	37.78
	Income from Dividend	12.63	11.68
	Income from Interest	2.01	93.88
	Net cash used in investing activities	(65.49)	(315.87)
C	Cash Flow from Financing Activities		
	Proceeds from Share Capital (Including Premium)	0.00	0.00
	Increase / (Decrease) in Reserves & Surplus	0.00	0.21
	Increase in Long Term Borrowing (Net)	151.47	(0.65)
	Increase (Decrease) in Unsecured Loan	0.00	(0.75)
	Interest Paid	(224.77)	(210.23)
	Net Cash used in Financing Activities	(73.30)	(211.42)
D	Net increase (decrease) in cash and cash equivalents	223.32	(21.14)
E	Cash and Cash Equivalent at the beginning of the year	34.07	55.21
F	Cash and Cash Equivalent at the end of the year	257.39	34.07

For and on Behalf of the Board of Directors

Sd/-	Sd/-	Sd/-
Piyush Agarwal	Kamlesh Kumar Rathi	Anupam Rathi
(Company Secretary)	(Managing Director)	(Whole Time Director)

Place : New Delhi
Date : 05.09.2011

For A.K. VAISH & Co.
Chartered Accountants

Sd/-
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 18th Annual General Meeting of the Company being held at the A-24/7, Mohan Co-operative Industrial Estate, New Delhi-110044 on **Friday, 30th day of September, 2011 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

18th AGM

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 18th Annual General Meeting of the Company to be held on the **Friday, 30th day of September, 2011 at 10.00 A. M.**
Signed this ----- day of ----- 2011.

Folio No.		DP ID		Revenue Stamp
No. of Equity Shares Held		Client ID		

Signature (s).....

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