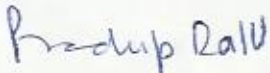
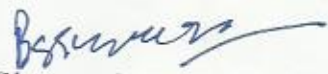

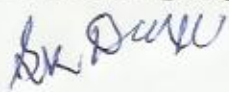


FORM A

Covering letter of the annual audit report to be filed with the Stock Exchange
(Pursuant to Clause 31(a) of the Listing Agreement)

1.	Name of the company	Rathi Steel & Power Limited
2.	Annual financial statement for year ended	31 st March, 2015
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	2014-2015
5.	To be signed by-	
	 Pradeep Kumar Rathi (Managing Director)	
	 Shyam S Bageshara (CFO)	
	 Messrs M. Lal & Co, Chartered Accountants (Firm's Registration No. 016069C) Auditor of the company	
	 Shri Shree Kumar Daga (Audit Committee Chairman)	

**44TH
ANNUAL - REPORT
2014-2015**

Rathi Steel and Power Ltd.

RATHI STEEL AND POWER LTD.
CIN L27109DL1971PLC005905

BOARD OF DIRECTORS

Shri Pradeep Kumar Rathi (DIN:00012596) - Managing Director
Shri Prem Narain Varshney (DIN:00012709) - Whole Time Director
Shri Shree Kumar Daga (DIN:00208058) - Independent Director
Shri Dwarka Das Lakhota (DIN:00012380) - Independent Director
Ms Akanksha Garg (DIN:0719311) - Women Director

AUDITORS

M/s M. Lal & Co. (Chartered Accountants)
III-A, 49 Nehru Nagar
Ghaziabad (U.P.)
Pin- 201001

LEGAL ADVISOR

Mr. Shiv Khorana, Advocate
F-7, Second Floor
Lajpat Nagar-III
New Delhi- 110024

BANKERS

Bank of Baroda
Canara Bank
Syndicate Bank
State Bank of India
Dena Bank
Karur Vyasa Bank Limited
Corporation Bank

REGISTERED OFFICE

Chauhan Market, Madanpur Khadar,
Near Local Shopping Complex,
Pocket- D & E, Sarita Vihar,
New Delhi-110076
Ph: 011- 4500 2400
Fax: 011-4500 2410
Web Site: <http://www.rathisteelandpower.com>

CORPORATE OFFICE

Industrial Area No. 1
A-3, South of GT Road
Ghaziabad (U.P.)
Pin- 201009
Ph: 0120-2840346-350
Fax: 0120-2840352-353

WORKS:

Unit No. 1
Industrial Area No. 1
A-3, south side of GT Road
Ghaziabad (U.P.)
Pin- 201009
Ph: 0120-2840346-350
Fax: 0120-2840352-353
Unit No.2
Vill. Potapalli, Sikirdi, P.S.
Burla, Dist. Sambalpur
Odisha Pin- 768006
Ph: 0663-2541170, 2230495

**REGISTRAR &
SHARE TRANSFER AGENT**

Mas Services Limited
T-34, Second Floor
Okhla Industrial Area,
Phase-II, New Delhi- 110020
Ph: 011-26387281-82-83
Fax: 011-26387384
Email: info@masserv.com

NOTICE

NOTICE is hereby given that the forty-fourth Annual General Meeting of the Members of Rath Steel and Power Ltd. (CIN L27109DL1971PLC005905) will be held on Wednesday, September 30th, 2015 at 11.00 a.m. at The Little Theater Group, Copernicus Marg, New Delhi- 110001 to transact the following Business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements

To consider and adopt the audited financial statements of the Company for the year ended 31st March, 2015, together with the Report of the Directors and Auditors' thereon

2. Appointment of a Director

To appoint a Director in the place of Mr. Pradeep Kumar Rath (DIN-00012596), who retires by rotation and, being eligible, seeks re-appointment.

3. Ratification of appointment of Auditors

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the appointment of Messrs M. Lal & Co, Chartered Accountants (Firm's Registration No. 011148) as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 45th Annual General Meeting of the Company to be held in year 2016 to examine and audit the accounts of the Company for the Financial Year 2015-16 at such remuneration plus service tax, out-of-pocket, travelling and living expenses etc., as may be mutually agreed between the Board of Directors and the Auditors."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution for Regularisation of Additional Director, Ms. Akanksha Garg

"RESOLVED THAT Ms Akanksha Garg (DIN: 07193111), who was appointed as an Additional Director with effect from May 30, 2015 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and Article 99 of Article of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing her candidature for the office of a Director, be and is hereby appointed as a director of the company liable to retire by rotation.

5. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2016 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of Rs.50000/- (Rupee fifty thousand) plus out-of-pocket expenses payable to Messrs R. M. Bansal & Co., Cost Accountants, (Firm's Registration No. 000022) who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company, for the Financial Year ending 31 March, 2016."

6. Adoption of new set of Articles of Association of the company containing Articles in conformity with the Companies Act, 2013:

To adopt new set of Articles of Association containing Articles in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the existing Articles of Association of the company be and is hereby replaced with the new set of Articles of Association and the said new Articles of Association be and is hereby approved and adopted as the Articles of Association of the company in place of, in substitution and to the entire exclusion of the existing Articles of Association of the company.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient, required or incidental thereto, in this regard."

By Order of the Board
For **Rath Steel And Power Limited**
Sd/-
Prem Narain Varshney
(Whole Time Director)
DIN: 00012709

Registered Office: Chauhan Market, Madanpur Khadar,
Near Local Shopping Complex,
Pocket -D & E, Sarita Vihar New Delhi- 110076
CIN: L27109DL1971PLC005905
Phone : 011-45002400, Fax : 011-45002410
Email : investors@rathisteelandpower.com
Website : www.rathisteelandpower.com

Place: New Delhi
Date: 14 /08 /2015

Notes:-

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy and the proxy need not be a member of the Company.
2. The Proxy form must be deposited at the registered office

of the Company not less than 48 hours before the scheduled hour of commencement of the meeting i.e. 11.00 a.m. on September 30th, 2015.

3. Members/Proxies should bring their attendance slips duly filled in for attending the meeting.
4. Members are requested to bring their copy of the Annual Report with them at the Annual General Meeting, as the copies of the report will not be circulated at the meeting.
5. The Register of Members and Share Transfer Registers of the Company will remain closed from September 26th, 2015 to September 30th, 2015 (both days inclusive).
6. Explanatory statements pursuant to section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting under Item No.4, 5 and 6 are annexed hereto.
7. Members who hold shares in dematerialized form are requested to bring their Depository ID Number and Client ID Number for easier identification of attendance at the Annual General Meeting.
8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his request to the Company at least 10 days prior to the Meeting so that the required information can be made available at the Meeting.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Registrar M/s Mas Services Limited (Unit Rathi Steel), Phone (011)26387281-83, Fax : (011) 26387384, E-mail : info@masserv.com
11. Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically
12. The details of directors who are proposed to be reappointed/newly appointed are given in Corporate Governance Report.
13. In compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means.

The cut off date for determining the eligibility to vote by electronic means or by ballot in the general meeting shall be 24th September, 2015.

The members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting in terms of notification issued by the Ministry of Corporate Affairs dated 19.03.2015.

14. The results of voting shall be declared at the Registered Office of the Company within 3 days of the conclusion of the Annual General Meeting by the chairman of the meeting and shall also be displayed at the website of the company www.rathisteelandpower.com

PROCESS FOR MEMBERS OPTING FOR E-VOTING

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company will be providing members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL). The detailed procedure to be followed in this regard has been given in Annexure – A to the notice. The members are requested to go through them carefully.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to the special business mentioned in the accompanying Notice:

Item No. 4

Ms Akanksha Garg was appointed as an Additional Director w.e.f. May 30, 2015 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 99 of Article of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing Ms Akanksha Garg candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. The Board feels that presence of Ms Akanksha Garg on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 4 for adoption.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

Item No. 5

Based on the recommendation of the Audit Committee, the Board in its meeting appointed Messrs R. M. Bansal & Co., Cost Accountants, to conduct the audit of the steel manufacturing and power generation business for the financial year 2015-16 at fee of Rs. 50,000/- plus out of pocket expenses.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit

and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors as set out in the Resolution at item No 5 of the convening Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the said Resolution

Item No. 6

Adoption of new set of Articles of Association

The existing Articles of Association ("AoA") are based on the Companies Act, 1956 and several regulations in the existing AoA contain reference to specific sections of the Companies Act, 1956 and some articles in the existing AoA are no longer in conformity with the Act.

With the enactment of the Companies Act, 2013 and substantive sections of the Act which deal with the general working of the Company stand notified, several regulations in the existing AoA of the company require alteration and/or deletion.

Given this position it is considered expedient to wholly replace the existing AoA by a new set of Articles. The new set of AoA to be replaced in place of the existing AoA is based on Table F of Schedule I of the Companies Act, 2013 which sets out the model AoA for a company limited by shares and also carries forward certain provisions from the existing AoA suitably rephrased and which are not in conflict

with the provisions of the Companies Act, 2013.

The proposed new draft of AoA is available for inspection to the shareholders at the registered office of the company on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 A.M and 1.00 P.M till the date of the meeting.

No Director or Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise in this item of business.

The Board recommends this Resolution for your Approval.

By order of the Board
For Rath Steel And Power Limited

Sd/-
Prem Narain Varshney
(Whole Time Director)
DIN: 00012709

Registered Office: Chauhan Market, Madanpur Khadar,
Near Local Shopping Complex,
Pocket –D & E, Sarita Vihar New Delhi- 110076
CIN: L27109DL1971PLC005905
Phone : 011-40512426, Fax : 011-40512425
Email : investors@rathisteelandpower.com
Website : www.rathisteelandpower.com

Place: New Delhi

Date: 14/08 /2015

ANNEXURE TO ITEMS 2 & 4 OF THE NOTICE

Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

Name of the director	Mr. Pradeep Kr. Rath	Ms Akanksha Garg
Director Identification Number(DIN)	00012596	07193111
Date of Birth	14-06-1956	24/02/1997
Nationality	Indian	Indian
Date of Appointment on Board	09/09/1998	30/05/2015
Qualification	Graduate	Pursuing graduation
Shareholding in RSPL	7504988	Nil
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	1	Nil
Memberships/ Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	Nil	Nil

Annexure A to the notice

Instructions for the voting through electronic means

The procedure and instructions for e-voting as given in the Notice of the 44th Annual General Meeting are again reproduced hereunder for easy reference:

- In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/Depositories):
 - Open e-mail and open PDF file viz."RSPL-remote e-Voting.pdf" with your client ID or Folio No.

as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.

- Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
- Click on Shareholder-Login.
- Put user ID and password as initial password noted in step (i) above. Click Login.
- Password change menu appears. Change the password with new password of your choice with

minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - g. Select "EVEN" of "Rathi Steel and PowerLimited".
 - h. Now you are ready for remote e-voting as Cast Vote page opens.
 - i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - j. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - k. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - l. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to ranjeet@ranjeetcs.com with a copy marked to evoting@nsdl.co.in.
- II. In case of Members receiving Physical copy of Notice of 44th Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)
- a. Initial password is provided in the box overleaf.
 - b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.
- A. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
 - B. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - C. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - D. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 24th September, 2015.
 - E. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 24th September, 2015, may also obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA, MAS Services Limited.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- F. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
 - G. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
 - H. Shri Ranjeet Kumar Verma, Practicing Company Secretary (Membership No. FCS 6814 & CP No. 7463), Proprietor, M/s. Ranjeet Verma & Associates., Company Secretaries has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 - I. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
 - J. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
 - K. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.rathisteelpower.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the BSE Limited.

BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 44th Annual Report together with the Audited Statement of Accounts of your company for the year ended 31st March, 2015.

1. FINANCIAL RESULTS

(Rs. In Lacs)

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
Sales	66882.35	46553.09
EBITDA	696.68	(4377.42)
Interest	5040.18	4927.90
Depreciation	3186.63	891.68
Profit after Tax (PAT)	(8239.23)	(7433.67)
Dividend	NIL	NIL

2. OPERATIONAL REVIEW:

During the year under review, the Company has achieved sales turnover of Rs. 66882.35 lacs against previous year sales of Rs. 46553.09 Lacs. The Company has incurred loss of Rs. 8239.23 lacs against previous year loss of Rs.7433.67 lacs. Company expects to do better if there is an improvement in overall industrial scenario.

3. REFERENCE UNDER SECTION 15 AND OTHER APPLICABLE PROVISIONS OF CHAPTER III OF THE SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985.

Due to erosion of net worth of the company by more than 50% in the previous accounting year i.e. 12 months period ended on March 31,2014, as per the requirement of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), a reference had been made with the Hon'ble BIFR by within the prescribed time.

Since, during the current 12 months period ended 31 March, 2015, the Company has suffered a net loss of Rs. 8239.23 lacs which has resulted in full erosion of net worth of the company, the company became a "Sick Industrial Company" under Section 3(1)(o) of the aforesaid Act. Consequently, necessary reference/registration is required to be obtained with the Hon'ble BIFR. The necessary recommendation of the Board for approval from the members of the company has been received to comply with the provisions of the SICA.

4. DIVIDEND

No dividend has been recommended.

5. CAPITAL

During the year under review, Company has increased authorized capital by creating 25000000 Redeemable Preference Shares of Rs. 10/- each, resulting into Authorised Capital of Rs.90,00,00,000/- divided 32000000 Equity Share of Rs.10/- each amounting to Rs.32,00,00,000/- and

58000000 redeemable shares of Rs.10/- each amounting to Rs.58,00,00,000/-.

During the year company has issued 12566748 Redeemable Preference Share of Rs.10/- each at a Premium of Rs.20/- per Share amounting to Rs.37,70,02,440/-.

6. DEMERGER PLAN

Orissa unit is an integrated steel manufacturing unit and with the complexities in the land acquisition, particularly of large chunks of land it will be very difficult to acquire land for setting up a new project. It has its own locational advantage in the sense near to raw materials sources, sufficient land and necessary approvals for further expansion.

In order to unlock the values of both the units and outside infusion of funds/sale/PE investment, hiving off/demerger of both the units is absolutely necessary.

Company plans to hive off the Orissa unit into a separate Company. Deliberation are on and decision will be taken after considering all the aspects.

7. Corporate Debt Restructuring

The debts of the Company were restructured under Corporate Debt Restructuring (CDR) mechanism in the year 2013-14. The Scheme has given relief to the Company and provided with the breathing space to further improve operational levels and improve the cash position. Due to delay in implementation of approved restructuring scheme Company could not start operations at Orissa unit nor was the implementation of setting up of rolling mill at Orissa and even its Ghaziabad unit is operating at lower than desired capacity utilization.

Keeping in mind the current business & economic outlook environment, the Company is in fresh discussions/negotiation with the lenders for its business restructuring plans and is in the process of finalizing fresh proposal for re-working of its debt obligations.

8. ECONOMIC SCENARIO AND OUTLOOK

The expected population growth, emerging new applications for steel and more sophisticated steel applications, the global steel market has a potential to grow by between 700 and 1000 million tonnes in the next 50 years. That is equivalent to a market that is 60% larger than that of today. We believe that between now and 2030, global use of steel will increase by as much as 400 million tons annually.

The world market for steel will reach \$1.3 trillion in 2015, with production levels to reach 1,694.73 million tonnes whilst consumption will reach 1,545.50 million tonnes. The market has been declining over the past few years as a result of the large oversupply of steel that pressured prices downwards. The global recession that hit the commodities sector hard also contributed to the shrinking growth.

The steel market has been dominated by China, accounting for half of the global market. It is the largest and fastest growing producer and consumer of steel and it will retain its leading position. India, Taiwan, Iran, Japan, Mexico and South Korea are other countries exhibiting strong growth in terms of steel production and consumption. Global

steeldemand over the next decade will mainly depend on the emerging economies. However, economic conditions for the global steel industry remain challenging.

The main factors that led to a previously significant increase in demand for steel are new infrastructure developments and the growing needs of the increasing middle class in the developing countries. The construction, automobile, and white goods industries will attract a high demand for steel over the next decade. The construction sector will be the key consumer of steel.

Financial year 2014-15 saw India emerge as a bright spark even as advanced and emerging economics grappled with uncertainty and slower growth. Cyclical macro parameters like inflation, current account deficit have improved during the year due to domestic as well as external factors. However, domestic steel producers witnessed subdued sales as increased imports from China and Russia resulted in sharp cut to steel prices in India over the past six months.

The Indian economy is in the midst of significant structural change and is expected to embark on a sustained economic growth cycle. According to World Bank, India is set to be the world's fastest growing major economy in the financial year 2015-16 at 7.5% and gradually move up to 8% in the next two financial years. However, this economic growth will depend on steady implementation of reforms aimed to improve productivity and competitiveness. Government initiatives like "Make in India" will stimulate manufacturing growth while its focus on infrastructure should revive the investment cycle. This should help India grow while being fiscally prudent.

Indian steel demand is expected to reflect improving macro-economic environment. Steel end use sectors are expected to perform better compared to previous financial year. Infrastructure projects like dedicated freight corridor etc. are gaining momentum and the steady decline in stalled projects coupled with hike in import duty should stimulate steel demand. However, steel prices are expected to remain under pressure from Chinese exports and increased domestic competitiveness.

9. CORPORATE SOCIAL RESPONSIBILITY

Even though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the company yet the Company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development.

10. BUSINESS RISK MANAGEMENT

Although the company has long been following the principle of risk minimization as is the norm in every industry, it has now become a compulsion.

Therefore, in accordance with clause 49 of the listing agreement the Board members were informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the company.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk.

As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same

11. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of account and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company.

12. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour the company has adopted a vigil mechanism policy. This policy is explained in corporate governance report and also posted on the website of company www.rathisteelandpower.com.

13. DIRECTORS & COMMITTEES

At the 43rd Annual General Meeting of the company held on 30th September, 2014 the company appointed the existing independent directors Shri S. K. Daga (DIN: 00208058) and Shri Dwarka Das Lakhota (DIN: 00012380) as independent directors under the companies Act, 2013 for 5 consecutive years for a term upto the conclusion of the 49th Annual General Meeting.

All independent directors have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and clause 49 of listing agreement.

In accordance with the provisions of Companies Act, 2013 Shri Pradeep Kumar Rathi (DIN-00012596), Director retires by rotation and being eligible offers himself for re-appointment.

Ms Akanksha Garg was appointed as an Additional Director w.e.f. May 30, 2015 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 99 of Article of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013 the above director holds

office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing Ms Akanksha Garg candidature for appointment as Director of the Company.

13.1. BOARD EVALUATION

Pursuant to the provisions of companies Act, 2013 and clause 49 of the Listing Agreement, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder committee. The manner in which the evaluation has been carried out has been explained in Corporate Governance Report.

13.2. REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

13.3. MEETINGS

During the year twelve Board Meetings and one independent directors' meeting was held. The Details of which are given in Corporate Governance Report. The provisions of Companies Act, 2013 and listing agreement were adhered to while considering the time gap between two meetings.

13.4. AUDIT COMMITTEE

The company is having an audit committee comprising of the following directors:

Name	Status	Category
Shri Shree Kumar Daga	Chairman	Non Executive & Independent Director
Shri Dwarka Das Lakhotia	Member	Non Executive & Independent Director
Shri Prem Narain Varshney	Member	Executive Director

13.5 NOMINATION AND REMUNERATION COMMITTEE

The company is having a Nomination and Remuneration Committee comprising of the following directors:

Name	Status	Category
Shri Shree Kumar Daga	Chairman	Non Executive & Independent Director
Shri Dwarka Das Lakhotia	Member	Non Executive & Independent Director
Ms Akanksha Garg	Member	Non-Executive Director

14. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in preparation of the annual financial statements

for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the loss of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

15. RELATED PARTY TRANSACTIONS

None of the transactions with any of related parties were in conflict with the Company's interest. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. All related party transactions are negotiated at an arms-length basis and are in the ordinary course of business. Therefore, the Provisions of Section 188(1) of the Companies Act, 2013 are not applicable. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website. The details of the transaction with the Related party are provided in the accompanying financial statements.

16. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

A detailed note on ongoing litigations/court orders has been provided in the Notes to account.

17. AUDITORS

17.1. STATUTORY AUDITORS

M/s M. Lal & Co, Chartered Accountants, who are the statutory auditors of the Company, hold office until the conclusion of the ensuing AGM and are eligible for re-appointment. Members of the Company at the AGM held on 30 September, 2014 had approved the appointment of M/s M. Lal & Co as the Statutory Auditors for a period of three financial years i.e., up to 31 March, 2017. As required by the provisions of the Companies Act, 2013, their appointment should be ratified by members each year at the AGM. Accordingly, requisite resolution forms part of the notice convening the AGM.

The Auditors' Report on Financial Statements of the Company for the Financial Year 2014-15 does not contain any qualification.

The observations of Statutory Auditors' and Notes to the Financial Statements are self-explanatory

17.2. COST AUDITORS

As per Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. In this connection, the Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of R. M. Bansal & Co., Cost Accountants as the cost auditors of the Company for the year ending 31 March, 2016, at a remuneration of Rs. 50,000/- plus out of pocket expenses.

R. M. Bansal & Co., Cost Accountants have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the past several years.

17.3. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ranjeet Verma & Associates. (CP No.: 7463, FCS: 6814), Company Secretaries to undertake the secretarial audit of the company. The Secretarial Audit Report is annexed herewith as 'Annexure 1'.

17.4. INTERNAL AUDITORS

M/s Rajiv S Agarwal & Co. Chartered Accountants performs the duties of internal auditors of the company and their report is reviewed by the audit committee from time to time.

18. CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Secretarial Auditor confirming compliance forms an integral part of this Report.

19. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure 2".

20. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure 3".

21. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:

The Company has One Executive Director and one Managing Director, no sitting fees have been paid to any director during the year.

The particulars of the employees who are covered by the provisions contained in Rule 5(2) and rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as "Annexure 4".

22. ACKNOWLEDGEMENTS

The company has been very well supported from all quarters and therefore your directors wish to place on record their sincere appreciation for the support and co-operation received from Central and State Governments, Bankers and others associated with the Company.

Your Directors wish to thank the banks, financial institutions, shareholders and business associates for their continued support and cooperation.

We look forward to receiving the continued patronage from all quarters to become a better and stronger company.

23. CAUTIONARY STATEMENT

The statements contained in the Board's Report and Management Discussion and Analysis contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations.

Various factors such as economic conditions, changes in government regulations, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

BY order of the Board
For **Rathi Steel And Power Limited**

Sd/-
Prem Narain Varshney
(Whole Time Director)
DIN: 00012709

Sd/-
Pradeep Kumar Rathi
(Managing Director)
DIN: 00012596

Place: New Delhi
Date: 14/08/2015

ANNEXURE TO THE DIRECTORS' REPORT:

ANNEXURE-1

SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

RATHI STEEL AND POWER LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the

adherence to good corporate practices by RATHI STEEL AND POWER LIMITED ("the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing opinion thereon.

Based on our verification of the RATHI STEEL AND POWER LIMITED ("the Company") books, papers, minute books, forms and returns filed and other records maintained by the company, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms, and returns filed and other records maintained RATHI STEEL AND POWER LIMITED ("the Company") for the financial year ended on March 31, 2015 according to the provisions of:

- i. The Companies Act, 2013 and the Companies Act, 1956 (to the extent applicable) (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and Dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (i) Following are some other laws especially applicable to the company-

1. Factories Act, 1948
2. Contract labour (regulation and abolition) act
3. Environmental Pollution Act, 1986.
4. The Electricity Act, 2003
5. Industrial Dispute Act, 1947
6. The Child Labour Act, 1970
7. Right to Information Act 2005
8. All other applicable labour laws
9. All other act which is especially applicable to steel and power sector.

We have also examined the compliance with the applicable clauses of the following:

- a. Secretarial Standards issued by the Institute of Company Secretaries of India
- b. The Listing agreements entered into by the Company with the Stock Exchanges.

During the period under review, the company has complied with the provisions of the Act, Rules, Regulation, Guidelines, Standards etc. mentioned above

In our opinion, and to the best of our information and according to the records and explanation provided to us, we have found the following observations:

As per Companies Act, 2013

1. Non-Filing of Cost XBRL (Form A XBRL and Form I XBRL)

As per the records provided to us and examined by us company has yet not done the compliance relating to filing of cost audit report and compliance report in XBRL form.

2. Late appointment of the Woman Director in the Board of Directors:

Woman Director has been appointed by the Company after the lapse of prescribed time.

3. No E-Form Has been filed in case of increase in Authorized Share Capital:

During the period under review we have examined the minute's book and found that company has called an extra ordinary general meeting which was held on 30th March, 2015 to increase its Authorized Share Capital. According to the provisions of Section 61(1) (a) of the Companies Act, 2013, Form SH-7, required to be filed to the registrar for the increase in authorized share capital within 30 days of passing the ordinary resolution, has not been filed till the date of our report.

4. Filing of E-Forms

During the period under review e-forms have been filed with additional fee as prescribed under section 403 of the Companies Act, 2013.

In respect of other laws specifically applicable to the Company, we have relied on the information/records produced by the Company during the course of our audit and reporting is limited to that extent.

We further report

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the board were unanimous and the same was captured and recorded as part of the minutes.

The Coal block allotted to the Company has been cancelled by Supreme Court in the month of September 2014. A charge sheet was also filed against the Company and its officials. The matter has been duly reported by the Company to the Exchanges.

We further report that there is scope to improve the systems and processes in the company and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under review Company has issued 12566748, 1% redeemable preference shares of Rs.10/- each at a premium of Rs.20/- per share.

Further, we report that there were no instances of:

- I. Redemption / buy back of securities

- II. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.

- III. Foreign technical collaborations.

FOR RANJEET VERMA & ASSOCIATES COMPANY SECRETARIES

CS RANJEET KUMAR VERMA
PROPRIETOR
M.NO- FCS6814
CP NO- 7463

Date : 14/08/2015

Place: New Delhi

Annexure -2

Conservation of energy

A Energy Conservation measures taken

- (i) All the staff members are strictly instructed to switch off all the lights and equipments after office hours when not in use.
- (ii) Optimization of capacity utilization thus reducing specific consumption of energy.
- (iii) Strict control of quality input for saving electricity consumption.
- (iv) Minimization of handling loss.
- (B) Additional Investment and proposals, if any, being implemented for reduction of consumption of energy.

The company is studying the feasibility of adding variable frequency drives for various applications wherever suitable, to bring down the energy consumption subject to techno-commercial viability of the proposal.

- (C) The impact of above (a) and (b) for reduction of energy consumption and consequent impact on cost of production of goods.
- (D) The per ton power consumption has been under control.

Form-A

Disclosure of particulars with respect to conservation of energy.

S. No.	PARTUCULARS		
A.	Power and Fuel Consumption	Current Year	Previous year
1.	ELECTRICITY		
	Ghaziabad Unit		
	(a) Purchase Units		
	(i) Rolling Mill Unit (A-3)	12299523	10714690
	(ii) SMS Unit (C-4)	16814720	13396086
	(b) Total Amount (In Rs.)		
	(i) Rolling Mill Unit (A-3)	102704729	94748433
	(ii) SMS Unit (C-4)	130145067	104453859
	(c) Rate / Unit		

	(i) Rolling Mill Unit (A-3)	8.35	8.84
	(ii) SMS Unit (C-4)	7.74	7.80
	Odisha Unit		
	(a) Purchase Units (KWH)	-	8,72,730
	(b) Total Amount (In Rs.)	-	85,19,092
	(c) Rate / Unit	-	9.76
	Own Generation	-	-
2.	GAS & FUELS		
	(a) Natural Gas / Furnace Oil (SCM / Litre)	1784165	3447948
	(b) Natural Gas Rs./ SCM	42	34.48
	(c) FO Rs. / Liter	31.40	
3.	OTHER GENERATION		NIL
B.	CONSUMPTION PER MT OF PRODUCTION		
	Ghaziabad Unit		
	Electricity (in unit)		
	(i) Rolling Mill Unit (A-3)	193 per MT	169 per MT
	(ii) SMS Unit (C-4)	562 per MT	577 per MT
	Natural Gas / FO (SCM / Litre)	42.00	34.48
	Odisha Unit		
	Electricity (KWH) per ton Billet	-	1049

Note: Previous year figures have been regrouped / rearranged wherever necessary.

(2) TECHNOLOGY ABSORPTION

FORM B

Disclosure of Particulars with Respect to Technology Absorption

A. Research and Development

The Company is doing in house R&D activities to improve operational efficiencies and yield of its products.

B. Technology Absorption, Adaptation & Innovation

(1) Efforts in brief, made towards technology absorption and innovation. - The company has always tried to adopt the best and latest technologies to manufacture its products. It is due to this very reason that over the years the company has witnessed very positive response and quick adaptation of the various products and grades of steel that have been manufactured from time to time. For instance, the company was amongst the first in the country to adopt the TOR® technology in the 1970s and was again amongst the first to make a quick transformation to THERMEX® technology for manufacturing TMT bars at its Ghaziabad plant.

In the area of special steel as well, the company has installed the most modern and suitable technology for manufacturing of high quality stainless steel products in the steel melting shop at Ghaziabad and has also installed the most modern mono-block to finish superior quality of wire rods.

In addition to the above, the company has also continuously upgraded and modernized the rolling mills to adhere to the international standards.

(2) Benefit derived as a result of the above efforts. e. g. product improvement, cost reduction, product development, import substitution etc.- Technology has helped in product improvement.

(3) Information relating to Imported Technology – NIL

III. FOREIGN EXCHANGE EARNINGS & OUTGO

1. Activities relating to exports, initiatives taken to increase exports, development of new Export market for products and services and export plans:

The Company is in continuous process to promote its products in other countries to increase its market share. The Company promptly responds to the enquiry/ information received from the prospective buyers.

2. Total Foreign Exchange used and earned:

Expenditure in Foreign Currency : Rs.40681712

FOB Value of exports : Rs.NIL

By order of the Board
For **Rathi Steel And Power Limited**

Sd/-
Prem Narain Varshney
(Whole Time Director)
DIN: 00012709

Sd/-
Pradeep Kumar Rathi
(Managing Director)
DIN: 00012596

Place: New Delhi
Date: 14/08/2015

ANNEXURE -3**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on March 31, 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L27109DL1971PLC005905
2	Registration Date	17-12-1971
3	Name of the Company	RATHI STEEL AND POWER LIMITED
4	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES
		INDIAN NON-GOVERNMENT
5	Address of the Registered office & contact details	Chauhan Market, Madanpur Khadar, Near Local, Shopping Complex, Pocket-D & E, Sarita Vihar, New Delhi-110076
6	Whether listed company	YES
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	"M/s. Mas Services Limited (Unit Rathi Steel). T-34, Second Floor, Okhla Ind. Area, Phase-II, New Delhi- 110020,"

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Steel	24105	99.65%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES						
Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Associate	Subsidiary/	"% of shares held"	"Applicable Section"
1	N.A.					
2						
3						

IV. SHARE HOLDING PATTERN									
(Equity share capital breakup as percentage of total equity)									
(i) Category-wise Share Holding									
Category of Shareholders	"No. of Shares held at the beginning of the year [As on 31-March-2014]"				"No. of Shares held at the end of the year [As on 31-March-2015]"				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	8,245,219		8,245,219	26.34%	8,245,219		8,245,219	26.34%	0.00%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.	7,867,695		7,867,695	25.13%	7,867,695		7,867,695	25.13%	0.00%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (1)	16,112,914	-	16,112,914	51.47%	16,112,914	-	16,112,914	51.47%	0.00%

(2) Foreign									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	16,112,914	-	6,112,914	51.47%	16,112,914	-	16,112,914	51.47%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	686,913		686,913	2.19%	686,913		686,913	2.19%	0.00%
b) Banks / FI	2,185,127		2,185,127	6.98%	2,177,646		2,177,646	6.96%	-0.34%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIs			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others specify)			-	0.00%			-	0.00%	0.00%
Sub-total (B)(1):-	2,872,040	-	2,872,040	9.17%	2,864,559	-	2,864,559	9.15%	-0.26%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2,130,567	51,021	2,181,588	6.97%	2,027,767	51,014	2,078,781	6.64%	-4.71%
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5,391,051	526,891	5,917,942	18.90%	5,204,318	522,073	5,726,391	18.29%	-3.24%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3,749,801		3,749,801	11.98%	4,044,397		4,044,397	12.92%	7.86%
c) Others (specify)									
Non Resident Indians	337,463		337,463	1.08%	396,311		396,311	1.27%	17.44%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%

Clearing Members	136,363		136,363	0.44%	84,758		84,758	0.27%	-37.84%
Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	11,745,245	577,912	12,323,157	39.36%	11,757,551	573,087	12,330,638	39.38%	0.06%
Total Public (B)	14,617,285	577,912	15,195,197	48.53%	14,622,110	573,087	15,195,197	48.53%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	30,730,199	577,912	31,308,111	100.00%	30,735,024	573,087	31,308,111	100.00%	0.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. UDIT RATHI	740,231	2.36%	2.36%	740,231	2.36%	2.36%	0.00%
2	Mr. PRADEEP KUMAR RATHI	7,504,988	23.97%	23.97%	7,504,988	23.97%	23.97%	0.00%
3	M/s ARCHIT SECURITIES PVT LTD	4,035,223	12.89%	12.89%	4,035,223	12.89%	12.89%	0.00%
4	M/s DBG LEASING AND HOUSING LIMITED	3,832,472	12.24%	12.24%	3,832,472	12.24%	12.24%	0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	No changes during the year			0.00%		0.00%
	Changes during the year	No changes during the year			0.00%		0.00%
	At the end of the year	No changes during the year			0.00%		0.00%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	SYNDICATE BANK						
	At the beginning of the year			1,091,536	3.49%	1,091,536	3.49%
	Changes during the year			-	0.00%		0.00%
	At the end of the year			1,091,536	3.49%	1,091,536	3.49%
2	ANUPAMA SARDA						

	At the beginning of the year			901,696	2.88%	901,696	2.88%
	Changes during the year				0.00%		0.00%
	At the end of the year			901,696	2.88%	901,696	2.88%
3	LIC NOMURA MF SPECIAL UNIT SCHEME						
	At the beginning of the year			686,913	2.19%	686,913	2.19%
	Changes during the year				0.00%		0.00%
	At the end of the year			686,913	2.19%	686,913	2.19%
4	EXIM SCRIPS DEALERS PVT LTD						
	At the beginning of the year			1,062,473	3.39%	1,062,473	3.39%
	Changes during the year	Various Date	Transfer	461,000	(-)1.47%		0.00%
	At the end of the year			601,473	1.92%	601,473	1.92%
5	MODERN FERRO ALLOYS PRIVATE LIMITED						
	At the beginning of the year			500,000	1.60%	500,000	1.60%
	Changes during the year				0.00%		0.00%
	At the end of the year			500,000	1.60%	500,000	1.60%
6	PUNJAB NATIONAL BANK						
	At the beginning of the year			486,676	1.55%	486,676	1.55%
	Changes during the year				0.00%		0.00%
	At the end of the year			486,676	1.55%	486,676	1.55%
7	ESKAY ENCLAVE PRIVATE LIMITED						
	At the beginning of the year				0.00%		0.00%
	Changes during the year	Various Date	Transfer	430,300	1.37%		0.00%
	At the end of the year			430,300	1.37%	430,300	1.37%
8	ANIRUDH RATHI						
	At the beginning of the year			427,482	1.37%	427,482	1.37%
	Changes during the year				0.00%		0.00%
	At the end of the year			427,482	1.37%	427,482	1.37%
9	DENA BANK - INVESTMENT						
	At the beginning of the year			369,161	1.18%	369,161	1.18%
	Changes during the year				0.00%		0.00%
	At the end of the year			369,161	1.18%	369,161	1.18%
10	ASISH AGRAWAL						
	At the beginning of the year			225,041	0.72%	225,041	0.72%
	Changes during the year				0.00%		0.00%

	At the end of the year			225,041	0.72%	225,041	0.72%
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(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. UDIT RATHI						
	At the beginning of the year			740,231	2.36%	740,231	2.36%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			740,231	2.36%	740,231	2.36%
2	Mr. PRADEEP KUMAR RATHI						
	At the beginning of the year			7,504,988	23.97%	7,504,988	23.97%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			7,504,988	23.97%	7,504,988	23.97%

V. INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but not due for payment.				
(Amt. Rs./Lacs)				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	49,106.68	3,174.02		52,280.70
ii) Interest due but not paid	416.78			416.78
iii) Interest accrued but not due	193.69			193.69
Total (i+ii+iii)	49,717.15	3,174.02	-	52,891.17
Change in Indebtedness during the financial year				
* Addition	5,868.81	-		5,868.81
* Reduction	95.94	3,142.20		3,238.14
Net Change	5,964.75	3,142.20	-	9,106.95
Indebtedness at the end of the financial year				
i) Principal Amount	54,736.50	31.82		54,768.32
ii) Interest due but not paid	753.52			753.52
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	55,490.02	31.82	-	55,521.84

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL				
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:				
S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name	PRADEEP KUMAR RATHI	PREM NARAIN VARSHNEY	(Rs/Lac)
	Designation	Managing director	Whole-time director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,880,000.00	222,150.00	31.02

	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			-
2	Stock Option			-
3	Sweat Equity			-
4	Commission			-
	- as % of profit			-
	- others, specify			-
5	Others, please specify			-
	Total (A)	2,880,000.00	222,150.00	31.02
	Ceiling as per the Act			

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors						Total Amount
		DWARKA DAS LAKHOTIA	SHREE KUMAR DAGA					(Rs/Lac)
1	Independent Directors							
	Fee for attending board committee meetings							-
	Commission							-
	Others, please specify							-
	Total (1)	-	-	-	-	-	-	-
2	Other Non-Executive Directors							-
	Fee for attending board committee meetings							-
	Commission							-
	Others, please specify							-
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-	-	-
	Total Managerial Remuneration							31.02
	Overall Ceiling as per the Act							

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name	UDIT RATHI	ANIL GUPTA	KAJAL GURNANI	(Rs/Lac)
	Designation	CEO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,880,000.00	206,580.00	97,201.00	31.84
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				
	- as % of profit				-
	- others, specify				-
5	Others, please specify				-
	Total	2,880,000.00	206,580.00	97,201.00	31.84

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NA	NIL			
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NA	NIL			
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NA	NIL			
Punishment					
Compounding					

Annexure 4

PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is as follows:

- (a) **The ratio of the remuneration of each director to the median remuneration of the employee of the Company for the financial year:**

Directors	Ratio to median Remuneration
Sh. Pradeep Kumar Rathi	28.24
Sh. Prem Narain Varshney	2.20
Sh. Shree Kumar Daga	NIL
Sh. Dwarka Das Lakhotia	NIL
Ms. Akanksha Garg	N.A.

- (b) **The percentage increase in remuneration of each Director, Chief Executive officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;**

Name of person	% increase in remuneration
Sh. Pradeep Kumar Rathi	Nil
Sh. Prem Narain Varshney	5%
Sh. Udit Rathi	Nil
Sh. Anil Gupta	5%
Ms. Kajal Gurnani	N.A. (Being employed part of the year)

- (c) **The percentage increase in the median remuneration of employees in the financial year – 5%**
- (d) **The number of permanent employees on the rolls of company:** As on 31.03.2015 employees are 157. However, the data taken for calculation of median remuneration of the employee was 353.

- (e) **The explanation on the relationship between average increase in remuneration and company performance:** On an average, employees received an increase of 5%. The Increase in remuneration is in line with the market trends and company's performance.

In order to ensure that remuneration reflects company performance, the performance pay is linked to organization performance apart from an individual's performance.

- (f) **Comparison of the remuneration of the Key Managerial Personnel against the Performance of the company:**

Particulars	Rs/Lac
Remuneration of Key Managerial Personnel (KMP) during financial year 2014-15 (Aggregated)	62.89
Revenue from operations	66832
Remuneration (as % of revenue)	0.09%
Profit before tax (PBT)	(8239.23)
Remuneration (as % of PBT)	N.A.

- (g) **Variation in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;**

Particulars	Unit	As at 31 March 2015	As at 31 March 2014	Variation (%)
Closing rate of share at BSE	Rs.	3.30	3.02	9.27%
EPS	Rs.	(26.32)	(23.75)	10.82%
Market Capitalisation	Rs./lac	1033.17	945.50	9.27%
Price Earning Ratio	Ratio	N.A.	N.A.	N.A.

- (h) **Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

The average increase in salaries of the eligible employees in 2014-15 was about 5% which is in line with increase in the salary of Whole Time Director of the Company.

- (i) **Comparison of remuneration of each of the Key Managerial Personnel against the performance of the Company**

Particulars	MD	WT Director	C.S.	CEO	CFO
	Rs/lac	Rs/lac	Rs/lac	Rs/lac	Rs/lac
Remuneration	28.80	2.22	0.97	28.80	2.07
Revenue	66882.35				
Remuneration (as% revenue)	0.04%	0.00%	0.00%	0.04%	0.00%
Profits before tax (PBT)	(8239.23)				
Remuneration (as % of PBT)	N.A.	N.A.	N.A.	N.A.	N.A.

- (j) **The key parameters for any variable component of remuneration availed by the directors: NIL**
- (k) **The Ratio of the Remuneration of the highest paid Director to that of Employees who are not Directors but receive Remuneration in excess of the highest paid Director during the year: NIL**
- (l) **Affirmation that the remuneration is as per the remuneration policy of the company**

The company's remuneration policy is driven by the success and performance of the individual employees and the Company. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the company.

TO WHOM IT MAY CONCERN

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The members

Rathi Steel And Power Limited

We have examined the compliance of conditions of Corporate Governance by Rathi Steel and Power Limited for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the 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.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **M. Lal & Co.**
Chartered Accountants

Sd/-

Place: New Delhi
Date: 14-08-2015

M. L. Agarwal
M. No. 11148

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2014-15 (IN ACCORDANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT ENTERED INTO WITH STOCK EXCHANGE)

1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Rathi Steel and Power Limited (The Company) continuously strives to attain higher levels of accountability, transparency, responsibility and fairness in all aspects of its operations. Its business culture and practices are based upon a common set of strong ethical values. These principles govern the Company's relationships with customers, employees, shareholders, suppliers, regulatory authorities and the communities that it operates in.

BOARD OF DIRECTORS

Name/Designation of Directors	Executive/ Non Executive/ Independent	No. of Position held in other companies		No. of Board Meetings Attended	Attendance at Last AGM
		Board #	Committee		
Mr. Pradeep Kumar Rathi Managing Director	ED (P)	1	Nil	12	No
Mr. Prem Narain Varshney	ED	1	Nil	12	Yes
Mr. Dwarka Das Lakhota	NED (I)	Nil	Nil	12	No
Mr. Shree Kumar Daga	NED (I)	1	Nil	12	Yes
Ms Akanksha Garg*	NED	----	----	----	----

excludes directorship in Private Limited Company, Foreign Companies and Section 8 Companies

*appointed as an additional director w.e.f. 30th May, 2015

ED (P) – Executive Director (Promoter)

NED- Non-Executive Director

ED-Executive Director

NED (I) - Non-Executive Director (Independent)

ii) Number of Board Meetings held

During the year ended March 31, 2015, twelve Board Meetings were held on the following dates:-

April 11, 2014, April 23, 2014, May 15 2014, May 30, 2014, August 14, 2014, September 15, 2014, September 30, 2014, November 14, 2014, November 21, 2014, February 14, 2015, March 5, 2015 and March 31, 2015. The maximum time gap between any two Board Meetings does not exceed the statutory limit of 120 days

iii) Brief Profile of Directors proposed for re-appointment

As required under Clause-49 of the Listing Agreement, the brief resume of the Directors proposed for re-appointment and other information is furnished below:-

Mr. Pradeep Kumar Rathi, aged 60 about is a Director

i) Composition

The Board of Directors of the Company comprises of an optimum combination of Executive and Non- Executive Directors, which is in conformity with the requirement of Clause 49 of the Listing Agreement with the Stock Exchanges.

The Board of the Company comprises Five Directors that includes one Women Director.

None of the Directors on the Board is a Member in more than 10 Committees and Chairman of more than 5 Committees, across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

Details of Directors, categories and attendance records are as under-

of the Company since 1998. He is Graduate and having rich experience of about 25 years in Steel Business. He is a Director in Archit securities private limited & DBG leasing and housing limited. He holds 7504988 equity shares in the Company.

INDEPENDENT DIRECTORS :

The Company has complied with the definition of Independence as per Clause 49 of the Listing Agreement and according to the Provisions of section 149(6) Companies Act, 2013. The company has also obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013.

i) Training of Independent Directors:

Whenever new Non-executive and Independent Directors are inducted in the Board they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risks and management strategy.

The appointment letters of Independent Directors has been placed on the Company's website at " www.rathisteelandpower.com"

ii) Performance Evaluation of non-executive and Independent Directors

The Board evaluates the performance of Non-executive and Independent Directors every year. All the Non-

executive and Independent Directors are having wide experience in the field of business, industry and administration.

Their presence on the Board is advantageous and fruitful in taking business decisions.

iii) Separate Meeting of the Independent Directors :

The Independent Directors held a Meeting on 31st March, 2015, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. The following issues were discussed in detail :

I) Reviewed the performance of non-independent directors and the Board as a whole;

II) Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

Fraud-free and corruption-free work culture has been the core of the Company's functioning. In view of the potential risk of fraud and corruption due to rapid growth and geographical spread of operations, the company has put even greater emphasis to address this risk.

To meet this objective, a Whistle Blower Policy has been laid down. The same policy as approved by the Board was uploaded on the Company's website: www.rathisteelandalpower.com

COMMITTEES OF THE BOARD

The Board has constituted the following Committees for efficient functioning of the Company:-

AUDIT COMMITTEE

i) Terms of Reference:

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Mr. Shree Kumar Daga, Chairman of the Audit Committee was present at the Annual General Meeting held on 30th September, 2014.

The composition of the Audit Committee and the details of meetings attended by the Directors are given below

Sr. No.	Name	Category	No. of Meetings attended
1.	Mr. Shree Kumar Daga	NED (I)	5
2.	Mr. Dwarka Das Lakhotia	NED (I)	5
3.	Mr. Prem Narain Varshney	ED	5

NED (I) - Non-Executive Director (Independent)

ED - Executive Director

Managing Director, CFO, Statutory Auditors and Internal Auditors are Permanent invitees. The Company Secretary of the Company acts as the Secretary to the Committee.

During the year 2014-15, five Audit Committee Meetings were held on 30th May 2014, 14th August, 2014, 30th September, 2014, 14th November, 2014 & 14th February, 2015. The required quorum was present at the meetings.

Nomination and Remuneration Committee:

i) Terms of reference :

This Committee shall identify the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, independent of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

ii) Composition :

With the induction of M/s Akanksha Garg on the Board w.e.f 30th May, 2015 Nomination and Remuneration Committee of the Company consists of 3 Non-Executive and Independent Directors.

iii) No. of Meetings held during the year :

During the year the Committee had 1 meeting on 15th January, 2015.

iv) Composition, name of Members and attendance during the year :

Name of the Director	Position	No. of Meetings held	No. of Meetings Attended
Mr. Shree Kumar Daga	Chairman	1	1
Mr. Dwarka Das Lakhotia	Member	1	1
Mr. P. N. Varshney*	Member	1	1
Ms Ms Akanksha Garg**	Member		

*resigned w.e.f. 30th May, 2015

**appointed w.e.f. 30th May, 2015

Company Secretary was the Compliance Officer during the year under review. Company Secretary performed the functions of monitoring the complaints received vis-à-vis share transfer and other related processes and reported them to the Board.

Company Secretary also carried out his responsibility as liaison officer with the investors and regulatory authorities, such as SEBI, Stock Exchanges, Registrar of Companies, R.B.I. in respect of implementing laws, rules and regulations, and directives of such authorities concerning investor service and complaints.

No complaints were received from the shareholders during the year.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Shareholders / Investors Grievance Committee was renamed and reconstituted as Stakeholders Relationship Committee at a board meeting held on 30th September 2014. The Committee performs following functions:

- Transfer/Transmission of shares
- Issue of Duplicate Share Certificates.
- Review of Share dematerialization and rematerialization.
- Monitoring the expeditious Redressal of Investor Grievances.
- Monitoring the performance of company's Registrar & Transfer Agent.
- All other matters related to the shares.

During 2014-15 the committee was chaired by Mr. Shree Kumar Daga. At present the committee comprises of two Non-Executive Directors and one Executive director. One meetings were held on 31st March, 2015.

Risk Management Committee

The Board of Directors, during the year, constituted "Risk Management Committee" as required under Clause 49 of the Listing Agreement. The Committee is responsible for risk identification, evaluation and mitigation and to set up process for risk management plan. The Risk Management Committee comprises of Mr. Prem Narain Varshney, Whole time Director who is the Chairman of the Committee and other members viz. Mr. Shree Kumar Daga, Director and Mr. Dwarka Das Lakhotia, Director

The Company Secretary acts as the Secretary to the Committee.

RELATED PARTY TRANSACTIONS

All transactions, if any, entered into with Related Parties as defined under Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of

the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company.

Disclosures

The company has always ensured fair code of conduct and maintained transparency. There were no instances of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

In accordance with requirement of Companies Act as well as listing agreement a vigil mechanism has been adopted by the board of directors and accordingly a whistle blower policy has been formulated with a view to provide a mechanism for employees of the company to approach Internal Auditor or Chairman of the Audit Committee of the Company to report any grievance.

Compliances, rules & regulations as laid down by various statutory authorities has always been observed by the company, both in letter as well as in spirit.

The Board has obtained certificates/disclosures from key management personnel confirming they do not have any material financial and commercial interest in transactions with the company at large.

Compliance with Accounting Standards

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 2013 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

MANAGEMENT

The Management Discussion and Analysis on all the matters as specified in Clause 49 of the Listing Agreement has been included and is a part of the Annual Report.

CEO/CFO CERTIFICATION

The Managing Director and the Chief Financial Officer of the Company have given a certificate to the Board of Directors as prescribed under Clause 49(V) of the Listing Agreement(s) for the year ending 31st March, 2015.

SHAREHOLDERS

i) Means of Communication

Full and complete disclosure of information regarding the Company's financial situation and performance is an important part of the Company's Corporate Governance ethics. The Company has demonstrated this commitment by sending its Shareholders a full version of its Annual Report.

The Ministry of Corporate Affairs (MCA) has promoted "Green Initiative" to encourage e-enabled regulatory compliances. In furtherance of this important initiative, the MCA has permitted Companies to provide its shareholders documents, including the Annual Report, by electronic mode.

In support of MCA's endeavours in this direction, the Company will be sending its Annual Report as well as other shareholder correspondence by email, to those shareholders whose e-mail addresses are registered with the Company. However, in case Shareholders desire to receive a physical copy of the Annual Report, the Company will be happy to provide the same on their request.

The financial results of the Company are usually published in the "The Pioneer" (English) and "The Veer Arjun" (Hindi language) both Delhi editions

Website: the company's website www.rathisteelandpower.com contains a separate dedicated section "Investor" where shareholders information is

available. The annual report of the company is also available on the website in a user-friendly and download form.

ii) Compliance Officer

Company Secretary is the compliance officer for complying with requirement of the Securities Laws and the Listing Agreements with the Stock Exchange.

iii) Insider Trading

In compliance with the SEBI regulations on prevention of insider trading, the Company has a Code on Insider Trading for its Directors, Management and designated Executives. The Code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing in securities of the Company. Mr. Anil Gupta, Chief Finance Officer (CFO) was the Compliance Officer for complying with the said code for financial Year 2014-15.

iv) SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

v) General Body Meetings

Details of location, time and date of last three Annual General Meetings of the Company were held:-

Year	Venue of Meeting	Date & Time	Special Resolution Passed
2013-14	Nanee Suites, Plot No.-49, Pocket-I, Jasola New Delhi-110025	30th September, 2014, 10.00 A.M	Yes
2012-13	KDM Hotels & Resorts Pvt. Ltd (BULBUL) A-4, Mohan Cooperative industrial Estates Mathura Road New Delhi- 110044	30th September, 2013, 10.00 A.M	Yes
2011-12	KDM Hotels & Resorts Pvt. Ltd (BULBULm) A-4, Mohan Cooperative industrial Estates Mathura Road New Delhi- 110044	29th September, 2012, 10.30 A.M	No

There have been no resolutions put through postal ballot during the last year and there is no proposal for passing any resolution through postal ballot in the ensuing Annual General Meeting of the Company.

GENERAL SHAREHOLDER INFORMATION

i) Annual General Meeting:	Date	:	30th September, 2015
	Day	:	Wednesday
	Time	:	11.00 A.M.
	Venue	:	The Little Theater Group, Copernicus Marg, New Delhi- 110001

ii) Financial Calendar (tentative):

Board Meeting to take on record	Schedule
Results for the	
* Quarter ending 30th June, 2015	On or before Aug 14, 2015
* Quarter ending 30th September, 2015	On or before Nov 14, 2015
* Quarter ending 31st December, 2015	On or before Feb 14, 2016
* Quarter ending 31st March, 2016	On or before May 30, 2016

iii) Book Closure Date : 26th September, 2015 to 30th September, 2015

(Both days inclusive)

iv) Listing on Stock Exchanges:

The Equity Shares of the Company are listed on the following two Stock Exchanges:-

Name & Address of the Stock Exchanges	Stock Code
Bombay Stock Exchange Ltd. Floor 25, P J Towers, Dalal Street, Mumbai - 400 001	504903

v) Stock Market Data:

The Equity Shares of the Company are traded at the Bombay Stock Exchange Limited (BSE) only. The performance of the Equity Shares of the Company in comparison to BSE Sensex is given hereunder:-

Month	Share Prices		BSE Sensex	
	High	Low	High	Low
April, 2014	3.67	3.02	22939.31	22197.51
May, 2014	5.17	2.17	25375.63	22277.04
June, 2014	6.52	4.80	25725.12	24270.20
July, 2014	6.18	4.55	26300.17	24892.00
August, 2014	5.72	4.50	26674.38	25232.82
September, 2014	5.39	3.46	27354.99	26220.49
October, 2014	5.55	4.00	27894.32	25910.77
November, 2014	7.10	3.63	28822.37	27739.56
December, 2014	5.65	4.00	28809.64	26469.42
January, 2015	5.20	3.51	29844.16	26776.12
February, 2015	4.86	3.50	29560.32	28044.49
March, 2015	4.62	3.00	30024.74	27248.45

Source: www.bseindia.com

vi) Registrar and Share Transfer Agents:

M/s. Mas Services Limited. has been appointed as the Registrar and Share Transfer Agents for the equity shares of the Company in physical and electronic form. Shareholders/Investors can direct all correspondence with regard to share transfer, transmission and change of address etc. at their following address:-

M/s. Mas Services Limited (Unit Rathi Steel).

T-34, Second Floor,
Okhla Ind. Area, Phase-II,
New Delhi- 110020,
Ph: 011-26387281-82-83
Fax No. 011-26387384
Email: info@masserv.com

vii) Share Transfer System:

M/s. Mas Services Limited Committee of the Company. The meeting of Share Transfer Committee is held to consider the share transfers. All the physical share certificates are sent to the transferees subsequent to transfer within the prescribed period.

viii) Status of Complaints/queries and their redressal as on March 31, 2015:-

During the year 2014-15, the Company had not received any complaints. As on date, no complaints are pending other than those, which are under litigation, disputes or court orders.

ix) Pending Share Transfers:

No Share transfers were pending as on March 31, 2015.

x) Dematerialization of Equity Shares :

The Company has entered into an agreement with NSDL and CDSL for dematerialization of shares. As on March 31, 2015, a total of 30732417 Equity Shares representing 98.16% of the total Equity paid-up capital of the Company have been dematerialized. Members are advised to get their shares converted into demat mode. The shares of the Company can be traded in demat mode only.

The Company's ISIN No. : INE336C01016

xi) Distribution of Shareholding:

The distribution of shareholding as on March 31, 2015 was as under:-

Shareholding of Shares (‘)	Shareholders Number	%	No. of Shares	%
1 to 5000	11278	80.71	1773653	5.66
5001 to 10000	1438	10.29	1171851	3.74
10001 to 20000	650	4.65	996649	3.18
20001 to 30000	168	1.20	428335	1.37
30001 to 40000	97	0.69	343249	1.09
40001 to 50000	92	0.66	434299	1.39
50001 to 100000	116	0.83	853174	2.73
100001 & above	134	0.95	25306901	80.83
Total	31308111			100

xii) Outstanding GDRs/ADRs /Warrants etc:

The Company has no outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2015.

xiii) Address for Correspondence:

Chauhan Market, Madanpur Khadar,
Near Local Shopping Complex,
Pocket- D & E, Sarita Vihar,
New Delhi-110076
Ph. 011-4500 2400
Fax: 011-4500 2410
Web Site: www.rathisteelandpower.com
E-mail ID: investors@rathisteelandpower.com

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development

In 2014, the geopolitical events and a slow recovery from the previous economic slowdown countered some of the optimism that was felt towards the end of 2014. Macro data for developed nations continued to strengthen during the year, however, China, ASEAN, MENA and other regions which were expected to grow, continued to show sluggish signs of economic recovery. Oil prices fell to record lows, while iron and steel prices fell to below USD 70 per tonne, leading to the exit of several small scale mining operations from the global mining industry. Overall economic sentiments and growth remained at almost the same levels as 2013.

In 2014, global steel demand expanded by a mere 0.6% to 1.537 billion tonnes, primarily due to contraction of demand in emerging economies like China, Brazil, Russia and Turkey. Chinese demand fell by 3.3% in the year to 710.8 million tonnes, with the outlook for 2015 and 2016 showing signs of reducing further by 0-5% year-on-year (yoy). Developed nations like USA, Germany, South Korea and Japan continued to show growth support during the year. The global steel demand for 2015 and 2016 is forecast to grow by 0.5% and 1.6% respectively to a level of 1.544 and 1.565 billion tonnes. Overall global crude steel production expanded by 1.2%, to 1.66 billion tonnes, from 1.64 billion tonnes in 2013.

In 2014, India retained its position as the 4th largest steel producing country in the world, behind China, Japan and the USA. The crude steel production grew by 2.3% to 83.2 million tonnes, while steel demand grew by 2.2% to 75.3 million tonnes.

Opportunities and Threats

Opportunities: The demand for steel has been sluggish for past few years. Steel production through induction furnace route shall be under pressure due to its relative cost structure. Consequently, merchant suppliers will continue to be under pressure on account of a reduced market demand until such time that the steel demand picks up. Once the steel demand picks up, steel sector will get their dues well. The company has been examining options for itself in the value. The company has necessary resources to do so.

Threats: The cost of iron ore and coal constitute more than 80% of cost of production. Therefore the profitability of the Company depends on market price of these raw materials vis-à-vis price of steel. The sure way to substantially reduce the cost of iron ore and coal is to have ownership of these raw materials. The Coal block which was under development was supposed to ensure reduction of manufacturing cost of Steel. However, due to de-allocation of coal block, this opportunity does not exist for the time being. But, the Company has been exploring the possibility of participating in an auction of re-notified coal blocks. This process is yet to reach at logical conclusion. The road transportation cost, both for iron ore and coal, is steadily going up over the

time. Global warming and climate change have been recognised by the company as serious concerns.

Future Outlook

The expected population growth, emerging new applications for steel and more sophisticated steel applications, the global steel market has a potential to grow by between 700 and 1000 million tonnes in the next 50 years. That is equivalent to a market that is 60% larger than that of today. We believe that between now and 2030, global use of steel will increase by as much as 400 million tons annually.

India is the third largest producer of steel, with an expected steel use of 80 million tonnes in 2015 and 86 million tonnes in 2016. It is also expected to be one of the fastest growing areas in steel use this year and next year.

Risk & Concerns

During the year the Board has constituted a Risk Management Committee (RMC) which met a number of times to identify prominent risks at the Company level. The process of Risk Management in the company identifies inherent risks in its operations and records residual risk after taking specific risk mitigation steps. The company has identified and categorised risks in the areas of Operations, Finance, Marketing, Regulatory Compliances and Corporate matter. Internal Auditor expresses his opinion on the level of risk identified during the audit of particular area which is reported to the Audit Committee through the Internal Audit Reports. Wherever possible and necessary, appropriate insurance cover is taken for financial risk mitigation. The economic slowdown may adversely affect the demand-supply equation in the iron industry. The Board has also reviewed the Risk Assessment & Mitigation process.

Internal Control System and their adequacy

The Company has adequate internal control system and well laid-down policies and procedures for all its operations and financial functions. The procedures are aligned to provide assurance for maintaining proper accounting controls, monitoring efficient and proper usage of all its assets and reliability of financial and operational reports. The internal control system is ably supported by the Internal Audit Department which carries out extensive audit of various functions throughout the Company. The Company's Board has an Audit Committee which comprises of three members, all of whom are Independent Directors. The Audit Committee reviews significant findings of the internal audit.

Financial Performance

During the year under review, the Company has achieved sales turnover of Rs. 66882.35 lacs against previous year sales of Rs. 46553.09 Lacs. The Company has incurred loss of Rs. 8239.23 lacs against previous year loss of Rs. 7433.67 lacs.

Human Resources and Industrial Relation

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Various Human Resource initiatives are taken to align the HR Policies to the growing requirements of the business.

The Company has a structured induction process and management development programmes to upgrade skills of managers. Technical and safety training programmes are given periodically to workers.

Industrial relations in the organization continued to be cordial during the year under review. The Company had 157 employees on its payrolls as on 31 March, 2015.

Cautionary Statement

Statements made in this report describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RATHI STEEL AND POWER LIMITED Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Rathi Steel And Power Limited** ('the Company'), which comprise the balance sheet as at 31st March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place

an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and 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 account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2 to the Notes to Accounts attached to financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Annexure to the Independent Auditors' Report The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:-

1. In respect of fixed assets:

- a) The company has been maintaining details showing full particulars, including quantitative details of fixed assets.
- b) We have been informed that physical verification of fixed assets has been conducted by the management at reasonable intervals and no material discrepancies have been noticed by them.
- c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.

2. In respect of inventories:

- a) According to the information and explanations given to us, the physical verification has been conducted at reasonable intervals by the management of the stock of stores. The physical verification of finished goods (excluding stocks lying with third parties) and raw material has been done on estimation basis, from time to time, due to the nature of the business and the cost involved and no discrepancies have been found. In respect of goods inventory lying with third parties, these have substantially been confirmed by them.
 - b) In our opinion, the procedures of physical verification of stocks followed by the management, is commensurate with the size of the company and nature of its business.
 - c) Having regard to the size of operations, no material discrepancies have been noticed on physical verification as compared to books of account and minor discrepancies found, have been properly dealt with in the books of account.
3. The Company has not granted loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 4. In our opinion and according to the information and explanations given to us, the internal control procedures needs to be strengthened in order to be commensurate with the size of the company and the nature of its business.
 5. The Company has not accepted any deposits from the public.
 6. We have broadly reviewed the records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
 7. (a) According to the information and explanations given to us and on the basis of our examination of

the records, Company has been generally regular in depositing with appropriate undisputed statutory dues i.e. income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other statutory dues authorities wherever applicable. However there are some minor delay in payment of dues for provident fund and Employees State Insurance but there are no over dues for the financial year.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable except the sales tax liability/ VAT Liability/Entry Tax/Excise duty/Service Tax/other statutory dues amounting to Rs.8.74crores.

(b) According to the information and explanations given to us, there are no unstayed disputed statutory dues.

(c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.

8. The accumulated losses of the Company at the end of the year are more than 100% of its net worth. The Company has incurred cash losses during the year covered by report as well as cash losses in the immediately preceding financial year.
9. The Company has defaulted in repayment of dues to financial institutions, banks or debenture holders during the year. The amount and period of default is as under:

Nature of Default	Period (days)	Amount (Rs. in Crores)	Remarks
Principal Repayments	0-31	4.68	Due on 28.02.2015
Interest	0-120	7.53	
Bank Guarantee Invoked		0.78	
Total		12.99	

10. In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
11. No term loan has been raised during the year under review.
12. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **M. LAL & CO.**
Chartered Accountants

Sd/-

M. L. AGRAWAL
M. No.: 11148

Place: New Delhi
Dated :15.06.2015

RATHI STEEL AND POWER LTD.

CIN L27109DL1971PLC005905

BALANCE SHEET AS AT 31.03.2015

(Amount in Rs.)

PARTICULARS	Note No.	AS AT 31.03.2015	AS AT 31.03.2014
I. Equity and Liabilities			
<u>1. Shareholders' Funds</u>			
Share Capital	1	765,048,590	639,381,110
Reserves And Surplus	2	(890,408,339)	(254,986,435)
<u>2. Non-Current Liabilities</u>			
Long-Term Borrowings	3	3,847,735,253	3,956,829,205
Deferred Tax Liability		-	-
Other Long Term Liabilities	4	68,714,461	376,356,651
Long Term Provisions	5	21,107,466	20,117,677
<u>3. Current Liabilities</u>			
Short-Term Borrowings	6	1,271,437,068	867,985,633
Trade Payables	7	450,598,592	99,102,051
Other Current Liabilities	8	707,942,992	383,490,395
Short-Term Provisions	9	3,396,127	3,388,317
Total Equity & Liabilities		6,245,572,210	6,091,664,604
II.Assets			
<u>(1) Non-Current Assets</u>			
Fixed Assets			
Tangible Fixed Assets	10	2,904,874,996	3,191,084,988
Capital WIP		15,000	74,469,056
		2,904,889,996	3,265,554,044
Deferred Tax Assets		729,096,639	729,096,639
Non-Current Investments	11	1,570,997	1,570,997
Long Term Loans And Advances	12	36,272,159	36,272,159
Other Non-Current Assets	13	14,646,724	27,646,724
<u>(2) Current Assets</u>			
Inventories	14	896,029,612	486,463,773
Trade Receivables	15	1,423,550,479	1,145,245,738
Cash And Cash Equivalents	16	57,029,978	37,913,248
Short-Term Loans And Advances	17	173,647,486	353,474,826
Other Current Assets	18	8,838,140	8,426,456
Total Assets		6,245,572,210	6,091,664,604

The accompanying Notes are an integral part of the financial statements

As per our Report of even date
For M. LAL & CO.
Chartered Accountants

Sd/-
P N Varshney
Whole Time Director
DIN 00012709

Sd/-
Pradeep Kumar Rathie
Managing Director
DIN 00012596

Sd/-
Sakshi Sethi
Company Secretary

Sd/-
M. L. AGRAWAL
M. No. 11148

Sd/-
Anil Gupta
CFO

PLACE : NEW DELHI
DATED :15.06.2015

RATHI STEEL AND POWER LTD.

CIN L27109DL1971PLC005905

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31.03.2015

(Amount in Rs.)

Particulars	Note No.	Year ended 31.03.2015	Year ended 31.03.2014
Revenues			
Revenue From Operations	19	6,688,235,444	4,655,309,243
Other Income	20	27,825,792	17,433,571
Total Revenue		6,716,061,236	4,672,742,814
Expenses:			
Cost Of Materials Consumed	21	6,215,816,705	4,635,980,500
Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-In-Trade	22	(210,139,382)	(165,894,515)
Employee Benefit Expenses	23	43,809,827	62,798,108
Financial Costs	24	504,018,213	492,789,577
Depreciation And Amortization Expense		318,662,637	89,168,018
Other Expenses	25	596,905,719	577,600,758
Total Expenses		7,469,073,719	5,692,442,446
Profit/(Loss) Before Exceptional And Extraordinary Items And Tax		(753,012,483)	(1,019,699,632)
Exceptional Items		70,910,641	(1,241)
Profit/(Loss) Before Extraordinary Items And Tax		(823,923,124)	(1,019,698,391)
Extraordinary Items		-	-
Profit/(Loss) Before Tax		(823,923,124)	(1,019,698,391)
Tax Expense:			
(1) Current Tax		-	-
(2) Tax for earlier years		-	-
(3) MAT Credit entitlement		-	-
(4) Deferred Tax		-	(276,331,325)
(Loss)/Profit From The Year From Continuing Operations		(823,923,124)	(743,367,066)
(Loss)/Profit For The Year		(823,923,124)	(743,367,066)
Earnings per share(of Rs.10/- each)			
(a) Basic		(26.32)	(23.74)
(b) Diluted		(26.32)	(23.74)

The accompanying Notes are an integral part of the financial statements

As per our Report of even date
For M. LAL & CO.
Chartered Accountants

Sd/-
P N Varshney
Whole Time Director
DIN 00012709

Sd/-
Pradeep Kumar Rath
Managing Director
DIN 00012596

Sd/-
Sakshi Sethi
Company Secretary

Sd/-
M. L. AGRAWAL
M. No. 11148

Sd/-
Anil Gupta
CFO

PLACE : NEW DELHI
DATED :15.06.2015

RATHI STEEL AND POWER LTD.

CIN L27109DL1971PLC005905

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs.)

Note 1 : Share Capital:		As at 31 March 2015	As at 31 March 2014
Authorised			
32000000(32000000) Equity Shares of Rs.10/- each		320,000,000	320,000,000
58000000 (33000000) Redeemable Pref. Shares@10/-each		580,000,000	330,000,000
		900,000,000	650,000,000
Issued, Subscribed and Paid-up			
31308111(31308111) Equity Shares of Rs.10/- each		313,081,110	313,081,110
45196748(32630000) Redeemable Preference Shares@10/-each		451,967,480	326,300,000
Total		765,048,590	639,381,110

(a) Reconciliation of Number of Equity Shares

Shares Outstanding as at 1 st April 2014/ 1 st April 2013	31,308,111	31,308,111
Add: Issued during the year	-	-
Shares Outstanding as at 31 st March 2015/ 31 st March 2014	31,308,111	31,308,111

(b) Reconciliation of Number of Redeemable Preference Shares

Shares Outstanding as at 1 st April 2014/ 1 st April 2013	32,630,000	-
Add: Issued during the year	12,566,748	32,630,000
Shares Outstanding as at 31 st March 2015/ 31 st March 2014	45,196,748	32,630,000

(c) List of Equity shareholders holding more than 5% of the total number of Equity shares issued by the Company

Name of Shareholder	As at 31 March 2015	As at 31 March 2014
	No. of Shares held	No. of Shares held
Archit Securities Private Limited	4035223(12.89%)	4035223(12.89%)
DBG Leasing & Housing Limited	3832472(12.24%)	3832472(12.24%)
Pradeep Kumar Rathi	7504988(23.97%)	7504988(23.97%)

(d) List of Redeemable Preference shareholders holding more than 5% of the total number of Redeemable Preference shares issued by the Company

Name of Shareholder	As at 31 March 2015	As at 31 March 2014
	No. of Shares held	No. of Shares held
DBG Leasing And Housing Limited	10346528(22.89%)	5850000(17.93%)
Archit Securities Private Limited	23116220(51.15%)	15046000(46.11%)
Char Investment and Trading Limited	6454000(14.28%)	6454000(19.78%)
Lenzing Poly Packs Limited	2440000(5.40%)	2440000(7.48%)

The Company has issued two class of shares referred to as equity shares and Redeemable Preference Shares. The Equity Shares are having a par value of Rs. 10 per share whereas par value for each Redeemable Preference Shares is Rs.10/-. Every holder of Equity Share is entitled to one vote per share in respect of all matters submitted to vote in the shareholders meeting. Redeemable Preference Shares are entitled to one vote per share, in respect of every resolution placed before the Company which directly affect the rights attached to the shares. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of preferential amounts, in proportion of their shareholdings. The Redeemable Preference Shares shall become due for redemption after 10 years from the date of issue at a 100 % premium of the issue price. Further Redeemable Preference shares are entitled to cumulative preference dividend of 1% per annum in relation to the paid up capital.

RATHI STEEL AND POWER LTD.

CIN L27109DL1971PLC005905

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015 (Amount in Rs.)

Note 2 : Reserves & Surplus:		As at 31 March 2015	As at 31 March 2014
Revaluation Reserve		19,025,530	19,025,530
Capital Reserve		521,438	521,438
Securities Premium Account		-	-
Opening Balance		892,421,479	892,421,479
Add: Transferred from Profit and Loss Account		188,501,220	-
Closing Balance		1,080,922,699	892,421,479
General Reserve			
Opening Balance		174,934,316	174,934,316
Add: Transferred from Profit and Loss Account		-	-
Closing Balance		174,934,316	174,934,316
Profit And Loss Account			
Opening Balance		(1,341,889,198)	(598,522,132)
Add: Profit(Loss) for the year		(823,923,124)	(743,367,066)
Less: Appropriations		-	-
Transferred to General Reserve		-	-
Closing Balance		(2,165,812,322)	(1,341,889,198)
		(890,408,339)	(254,986,435)
Note - 3 : Long Term Borrowings		As at 31 March 2015	As at 31 March 2014
Secured Term Loans:			
From Banks		1,835,400,346	1,911,872,816
Working Capital Term Loans			
From Banks		1,492,910,476	1,538,453,441
Funded Interest Term Loans			
From Banks		518,938,602	502,789,633
Finance / Lease Obligations			
From Banks		443,744	1,002,989
From Others		42,085	2,710,326
		3,847,735,253	3,956,829,205

- Notes**
- Term Loans, Working Capital Term Loans and Funded Interest Term Loans from Banks are secured by :
 - First Pari-Passu charge on Fixed Assets of the company
 - Second Pari-Passu charge on Current Assets of the company,
 - Personal guarantee of Shri Pradeep Rath, Managing Director and Shri Udit Rath, CEO
 - Pledge of Promoter's Equity Shareholdings i.e 51.47%.
 - First pari-passu mortgage and charge on the immovable properties of the Company situated at Ghaziabad, U P and Sambalpur, Odisha
 - First pari-passu mortgage and charge on the immovable property in the name of Sh Pradeep Kumar Rath situated at 112-A, Sector 21, Gurgaon, Haryana
 - First Charge over Escrow/Trust and Retention Account
 - Pledge of 2840000 Remeemable Preference Shares held by Sh Pradeep Kumar Rath and Sh Udit Rath
 - Vehicle/Equipment Loans are secured by the hypothecation of specific assets purchased under such arrangements.
 - The Company has defaulted in repayment of dues to financial institutions, banks or debenture holders during the year. The amount and period of default is as under:

Nature of Default	Period (days)	Amount(Rs. in Crores)	Remarks
Principal Repayments	0-31	4.68	Due on 28.02.2015
Interest	0-120	7.53	
Bank Guarantee Invoked		0.78	
Total		12.99	

	Rs. In Crores		
4. Terms of repayments of Indian Rupee Term Loans/WCTL/FITL Year	1-2 years	2-3 years	After 3 Years
Term Loans from Banks	41.71	48.38	280.69
5. Terms of repayments of Vehicle/Equipment Loans Year	1-2 years	2-3 years	After 3 Years
Maturity Profile	0.05	-	-

RATHI STEEL AND POWER LTD.

CIN L27109DL1971PLC005905

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

<u>Note - 4 : Other Long Term Liabilities</u>		As at 31 March 2015	As at 31 March 2014
Unsecured			
Unsecured Loans		2,025,000	316,243,800
Dealers Deposits		1,157,485	1,157,485
Deferred Payment liabilities			
Interest free sales tax deferment(unsecured)		-	6,965,412
Sundry Creditors for Capital Goods		13,144,748	12,339,413
Other Term Liabilities		52,387,228	39,650,541
		68,714,461	376,356,651

Interest free sales tax deferment

The Govt of Uttar Pradesh has extended to the Company, the incentive of sales tax deferral scheme pursuant to which the sales tax attributable to the sales effected out of production is deferred(interest free) for a period of 5 years from December 2009

<u>Note - 5 : Other Long Term Provisions</u>		As at 31 March 2015	As at 31 March 2014
Gratuity(unfunded)		21,107,466	20,117,677
		21,107,466	20,117,677
Note - 6 : Short Term Borrowings		As at 31 March 2015	As at 31 March 2014
Secured			
Working Capital Facilities			
From Banks		1,271,437,068	867,985,633
		1,271,437,068	867,985,633

Working capital facilities from Banks are secured by :

- First Pari- Passu charge on Current Assets of the company,
- Second Pari-Passu charge on Fixed Assets of the company,
- Personal guarantee of Shri Pradeep Kumar Rath, Managing Director and Shri Udit Rath, CEO
- Pledge of Promoter's Equity Shareholdings i.e 51.47%.
- Second pari-passu mortgage and charge on the immovable properties of the Company situated at Ghaziabad,U P and Sambalpur, Odisha
- Second pari-passu mortgage and charge on the immovable property in the name of Sh Pradeep Kumar Rath situated at 112-A,Sector 21,Gurgaon,Haryana
- Second Charge over Escrow/Trust and Retention Account
- Pledge of 2840000 Remeemable Preference Shares held by Sh Pradeep Kumar Rath and Sh Udit Rath

<u>Note - 7 : Trade Payables</u>		As at 31 March 2015	As at 31 March 2014
Unsecured			
Trade Payables		450,598,592	99,102,051
		450,598,592	99,102,051
Note 8 : Other Current Liabilities		As at 31 March 2015	As at 31 March 2014
Unsecured			
Current Maturities Of Long Term Debt		353,599,262	78,608,012
Current Maturities Of Finance/ Lease Obligations		878,596	7,244,909
Interest Accrued But Due		75,352,421	41,678,034
Interest Accrued But Not Due		-	19,369,401
Advances From Customers		28,087,089	11,676,292
Statutory dues payable		113,611,990	94,880,232
Others Payables		136,413,634	130,033,515
		707,942,992	383,490,395
Note - 9 : Short Term Provisions		As at 31 March 2015	As at 31 March 2014
Wealth Tax Payable		39,810	32,000
Bonus		2,863,959	2,863,959
Earn Leave(unfunded)		492,358	492,358
		3,396,127	3,388,317

RATHI STEEL AND POWER LTD.

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NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

NOTE 10

PARTICULARS	G R O S S B L O C K			D E P R E C I A T I O N			N E T B L O C K			
	As at 01.04.2014 (Rs.)	Addition during the year (Rs.)	Sales/ Adjustment (Rs.)	As at 31.03.2015 (Rs.)	Upto 31.03.2014 (Rs.)	Adjustment (Rs.)	For the Year (Rs.)	Total Upto 31.03.2015 (Rs.)	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
FIXED ASSETS										
Land Freehold	1,889,704	-	-	1,889,704	-	-	-	-	1,889,704	1,889,704
Land Leasehold	49,525,262	-	-	49,525,262	-	-	-	-	49,525,262	49,525,262
Boundary Wall	173,896	-	-	173,896	138,468	-	-	138,468	35,428	35,428
Building	582,928,342	-	-	582,928,342	100,414,704	-	13,850,954	114,265,658	468,662,684	482,513,638
Plant & Machinery	3,810,437,335	32,072,278	-	3,842,509,613	1,168,961,853	-	296,522,291	1,465,484,144	2,377,025,469	2,641,475,482
Furniture Fixtures	8,191,586	21,858	-	8,213,444	5,463,264	-	1,188,168	6,651,432	1,562,012	2,728,322
Office Equipment	4,423,935	189,742	-	4,613,677	1,540,808	-	1,582,229	3,123,037	1,490,640	2,883,127
Vehicles	27,744,587	170,109	90,320	27,824,376	20,265,924	62,527	3,389,963	23,593,360	4,231,016	7,478,663
Computers	10,094,800	26,450	-	10,121,250	7,539,438	-	2,129,031	9,668,469	452,781	2,555,362
TOTAL	4,495,409,447	32,480,437	90,320	4,527,799,564	1,304,324,459	62,527	318,662,636	1,622,924,568	2,904,874,996	3,191,084,988
Previous Year	4,458,183,948	37,600,271	374,772	4,495,409,447	1,215,428,501	272,060	89,168,018	1,304,324,459	3,191,084,988	

RATHI STEEL AND POWER LTD.

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NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

<u>Note - 11 : Non Current Investments</u>		As at 31 March 2015	As at 31 March 2014
Trade Investments			
QUOTED (AT COST)			
635(127) Equity Share of Bank of Baroda of Rs.2/- each (Market Value Rs.103696/-)		29,210	29,210
1850(1850) Equity Shares of State Bank of Bikaner & Jaipur of Rs.10/- each (Market Value Rs. 1096125/-)		489,900	489,900
2400(2400) Equity Shares of Focus Industrial Resources Ltd of Rs. 10/- each (Market Value Rs.30240/-)		20,086	20,086
Investment in Mutual Fund		1,000,000	1,000,000
UNQUOTED (AT COST)			
20000(20000) Equity Shares of M/s Moradabad Syntex Ltd.of Rs.10/- each(Under liquidation)		1	1
1000 Equity Shares of M/s First Financial Services Ltd. Of Rs.10/- each		10,000	10,000
3350 Equity Shares of M/s Lynx Traders & Export Ltd.of Rs.10/- each		33,500	33,500
		1,582,697	1,582,697
Less:Prov. for diminution in value of investments		11,700	11,700
		1,570,997	1,570,997
Note - 12 Long-term loans and advances		As at 31 March 2015	As at 31 March 2014
Unsecured, considered good			
Security Deposit		36,272,159	36,272,159
		36,272,159	36,272,159
Note -13 Other Non Current Assets		As at 31 March 2015	As at 31 March 2014
Unsecured, considered good			
Trade Receivables		14,638,724	14,638,724
Others		8,000	13,008,000
		14,646,724	27,646,724
Note 14 : Inventories:		As at 31 March 2015	As at 31 March 2014
Valued At Lower Of Cost Or Realisable Value			
Raw Materials		325,860,159	141,980,949
Stores & Spare Parts		45,486,009	42,780,307
Fuel		1,341,599	318,888
Finished Goods		523,341,845	301,383,629
		896,029,612	486,463,773
Note - 15 : Trade Receivables		As at 31 March 2015	As at 31 March 2014
(Unsecured,considered good unless otherwise stated)			
Outstanding For A Period Exceeding Six Months			
-Considered Good		118,554,748	160,209,722
-Considered Doubtful		4,590,755	2,071,452
Less:Provision for Doubtful Debts		(449,472)	(449,472)
Others		1,300,854,448	983,414,036
		1,423,550,479	1,145,245,738

RATHI STEEL AND POWER LTD.

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NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

<u>Note - 16 : Cash And Cash Equivalents</u>		As at 31 March 2015	As at 31 March 2014
<u>Balances With Banks</u>			
In Current Accounts		3,264,997	8,580,299
In Deposit Accounts		90,000	290,000
In Margin money a/c including FDR's with maturity less than 12 months		49,450,933	22,322,340
Cash On Hand		1,983,000	4,399,733
Interest Accrued But Not Due On FDR's		2,241,048	2,320,876
		57,029,978	37,913,248
<u>Note - 17 : Short Term Loans & Advances:</u>		As at 31 March 2015	As at 31 March 2014
(Unsecured, considered good unless otherwise stated)			
Advance For Recoverable in cash or kind or for value to be received			
-Considered Good		89,137,686	257,464,466
-Considered Doubtful		2,848,013	2,924,198
Less: Provision for Doubtful Debts		(337,500)	(337,500)
Balances With Government Authorities		78,332,915	89,757,290
Security Deposits		3,666,372	3,666,372
		173,647,486	353,474,826
<u>Note - 18 : Other current assets</u>		As at 31 March 2015	As at 31 March 2014
<u>Unsecured, considered good</u>			
Prepaid Expenses		286,853	465,982
Advance Income Tax / Tax Deducted At Source		8,551,287	7,960,474
		8,838,140	8,426,456
<u>Note - 19 : Revenue From Operations</u>		Year ended 31.03.2015	Year ended 31.03.2014
Sale Of Products		6,717,017,436	4,613,448,204
Others Operating Revenue		6,412,503	51,882,334
		6,723,429,939	4,665,330,538
Less : Excise Duty (Net)		35,194,495	10,021,295
		6,688,235,444	4,655,309,243
Steel Bars/TMT, Structural Plates etc.		4,598,207,385	3,280,006,020
SS Round in Coil		2,066,781,277	1,327,764,077
Billets		52,028,774	18,993,397
Others		6,412,503	38,567,044
		6,723,429,939	4,665,330,538
		-	-
<u>Note - 20 : Other Income:-</u>		Year ended 31.03.2015	Year ended 31.03.2014
Interest Received		4,917,375	4,303,607
Dividend		-	45,885
Insurance Claim Received		281,038	-
Profit on Sale of Investments		-	7,605,722
Profit on Sale of Vehicle		17,207	-
Commission Received		868,284	2,144,920
Sundry Balances Written Off		21,603,338	1,205,087
Job charges received		138,550	2,128,350
		27,825,792	17,433,571

RATHI STEEL AND POWER LTD.

CIN L27109DL1971PLC005905

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

<u>Note -21 : Cost Of Materials Consumed.</u>		Year ended 31.03.2015	Year ended 31.03.2014
Opening Stock		141,980,949	250,121,866
Purchases		6,399,695,915	4,527,839,583
		6,541,676,864	4,777,961,449
Less : Closing Stock		325,860,159	141,980,949
		6,215,816,705	4,635,980,500
Material consumed comprises:-			
Billets		1,267,838,064	1,620,395,235
Scrap		779,729,853	639,721,216
Iron Ore and Pallets		-	54,646,100
Coal		-	14,944,048
Others raw materials		4,168,248,788	2,306,273,901
		6,215,816,705	4,635,980,500
<u>Note 22 : Changes In Inventories Of Finished Goods , Semi Finished Goods & Wip</u>		Year ended 31.03.2015	Year ended 31.03.2014
Inventories At The Beginning Of The Year			
Finished Goods		301,383,629	138,186,989
Semi Finished Goods		-	-
Work In Progress		-	-
		301,383,629	138,186,989
Inventories At The End Of The Year			
Finished Goods		523,341,845	301,383,629
Semi Finished Goods		-	-
Work In Progress		-	-
		523,341,845	301,383,629
		(221,958,216)	(163,196,640)
Differential Excise duty on Increase/ (decrease) in Stock		11,818,834	(2,697,875)
		(210,139,382)	(165,894,515)
<u>Note 23 : Employee Benefit Expenses</u>		Year ended 31.03.2015	Year ended 31.03.2014
Salary		41,301,406	57,883,263
Contribution to PF and other Funds		2,453,350	3,580,193
Staff Welfare		55,071	1,334,652
		43,809,827	62,798,108
<u>Note 24 : Financial Costs</u>		Year ended 31.03.2015	Year ended 31.03.2014
Interest Expenses		485,606,364	476,346,403
Other Borrowing Costs			
Bank Charges & Processing Fee		18,411,849	16,443,174
		504,018,213	492,789,577

RATHI STEEL AND POWER LTD.

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NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

Note -25 : Other Expenses:		Year ended 31.03.2015	Year ended 31.03.2014
A. Manufacturing Expenses			
Stores Consumed		166,575,794	127,007,174
Water Charges		-	9,396,600
Power & Fuel		374,119,567	387,015,998
Consultation Charges		134,124	23,600
Rolling Charges Paid		144,896	758,889
Repair & Maintenance			
Building		1,335	563
Plant & Machinery		3,680,034	3,229,678
others		215,096	115,858
B.Selling Expenses			
Advertisement and Sales Promotion Expenses		109,701	21,176
Consignment Expenses		8,362,238	9,613,280
Freight Outwards		11,583,274	-
Testing Charges		1,316,382	66,291
C.Administrative Expenses			
Directors Salary		3,102,150	2,374,320
Guest House Maint.Expenses		11,995	102,507
Insurance Charges		2,525,497	2,828,306
Legal & Professional Charges		3,638,867	9,612,374
Miscellaneous Expenses		5,273,144	7,842,202
Vehicle Running & Maintenance		-	3,830
Postage, Telegram & Telephone		1,439,725	1,667,495
Printing & Stationery		940,713	374,094
Rates,Taxes & fee		597,968	1,384,681
Rent		964,182	1,812,982
Security Charges		2,103,613	3,042,936
Travelling & Conveyance Expenses		1,000,424	2,177,627
Auditors' Remuneration		400,000	400,000
Wealth Tax		25,000	37,572
Loss on Sale of Assets		-	3,428
Forfeiture of Bank Guarantee		8,640,000	6,687,297
		596,905,719	577,600,758

RATHI STEEL AND POWER LTD.

CIN L27109DL1971PLC005905

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(Rs. in Lacs)

	PARTICULARS	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit Before Taxation	(8,239.23)	(10,196.98)
	Adjustments for :		
	Depreciation	3,186.63	891.68
	(Profit)/ Loss on Sale of Assets	(0.17)	0.03
	Profit on sale of investments	-	(76.06)
	Interest Paid	4,856.06	4,763.46
	Insurance Claim Received	(2.81)	-
	Misc. Balance written back	(216.03)	(12.05)
	Dividend income	-	(0.46)
	Miscellaneous Income	(8.68)	(21.45)
	Interest income	(49.17)	(43.04)
	Operating profit before working capital changes:	(473.40)	(4,694.87)
	Adjustments for:		
	Increase in Trade receivables	(2,783.05)	778.89
	(Increase)/Decrease in inventories	(4,095.66)	(456.08)
	(Increase)/Decrease in Loans & Advances and other assets	1,924.16	(1,285.03)
	Increase in Current Liabilities and Other Long Term Liabilities	3,611.49	(6,004.43)
	Cash Generated from Operation	(1,816.46)	(11,661.52)
	Less: Income Tax paid (net)	-	-
	Net cash from operating activities:	(1,816.46)	(11,661.52)
B.	CASH FLOW FROM INVESTMENT ACTIVITIES		
	Purchase of Fixed Assets	(324.80)	(376.00)
	Change in Capital Work in Progress	744.54	112.42
	Dividend income	-	0.46
	Sales of Assets	0.45	0.99
	Miscellaneous Income	8.68	21.45
	Sales/ (Purchase) of Investments	-	133.56
	Insurance claim	2.81	-
	Interest income	49.17	43.04
	Net cash used in investing activities :	480.85	(64.08)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Share Capital	3,141.69	3,263.00
	Receipt of Long Term Borrowings	1,691.25	20,981.45
	Payment of Long Term Borrowing	(95.94)	(19.57)
	Increase/(Decrease) in Short Term Borrowing	4,034.51	(8,664.22)
	Increase/(Decrease) in Unsecured loans	(3,142.19)	20.75
	Interest Paid(including borrowing costs capitalised)	(4,102.54)	(4,152.99)
	Net cash used in Financing activities :	1,526.78	11,428.42
	Net increase/(Decrease) in cash and cash equivalents	191.17	(297.18)
	Opening cash and cash equivalents	379.13	676.31
	Closing cash and cash equivalents	570.30	379.13

As per our Report of even date
For M. LAL & CO.
Chartered Accountants

Sd/-
P N Varshney
Whole Time Director
DIN 00012709

Sd/-
Pradeep Kumar Rathi
Managing Director
DIN 00012596

Sd/-
Sakshi Sethi
Company Secretary

Sd/-
M. L. AGRAWAL
M. No. 11148

Sd/-
Anil Gupta
CFO

PLACE : NEW DELHI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

NOTE 26

1. COMPANY INFORMATION

Rathi Steel And Power Limited (formerly Rathi Udyog Limited) (the Company) is a public limited company incorporated in 1971 and engaged in the business of manufacturing and sale of Steel and Steel related products.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements:

These financial statements have been prepared under historical cost convention from books of accounts maintained on an accrual basis (unless otherwise stated hereinafter) in conformity with accounting principles generally accepted in India and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to Sec 129 & 133 of the Companies Act, 2013, of India. The accounting policies applied by the company are consistent with those used in previous year.

b) Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

c) Inventories:

Inventories are stated at cost (net of CENVAT credit) or net realisable value, whichever is lower and inclusive of excise duty. Cost determined on weighted average basis and comprises of expenditure incurred in the normal course of business in bringing such inventories to their location and includes, where applicable appropriate overheads. Inventory of Iron Ore and Coal have been segregated according to usability at the time of physical verification and are stated at Cost or market price whichever is less.

d) Tangible Fixed assets and depreciation accounting:

All fixed assets are accounted for at cost of acquisition, inclusive of freight, duties, taxes, erection, installation and other incidentals related to acquisition and exclusive of CENVAT recoverable on purchase of capital goods. Pre-operation expenses including trial run expenses (net of revenue) are capitalized.

Leasehold land has been revalued as on 31st March, 1992.

e) Depreciation

Depreciation on fixed assets is provided based on life

assigned to each asset in accordance with Schedule II of the Companies Act, 2013. Depreciation on additions/deductions has been calculated on day-to-day basis.

f) Revenue Recognition

Sales comprises of sales of goods and services but net of sales returns and includes inter unit transfers.

Interest income is accounted for on accrual basis.

Dividend income is accounted for on receipt of payment.

g) Investments :

Trade Investments are the investments meant to enhance the company's interest. Investments are classified as current or non-current based on the management's intention at the time of investment. Long-term investments are stated at cost. Provision for diminution in the value of long-term investment is made only if such a decline is permanent in nature.

h) Impairment of Assets :

At each Balance Sheet date, the company reviews the carrying amounts of assets to determine whether there is any indication of impairment of assets. If any indication exists, the recoverable amount is estimated, at the higher of realizable value and value in use, as considered appropriate. If the estimated recoverable amount is less than the carrying amount, an impairment loss is recognized in the statement of Profit and Loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash –generating unit to which the assets belongs. As per assessment conducted by the company as at March 31, 2015, there were no indications that the fixed assets have suffered an impairment loss.

i) Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged revenue.

j) Current Tax and Deferred Tax:

Current Tax is determined as the amount of tax payable in respect of taxable income for the period.

In accordance with the Accounting Standard 22 "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India, the deferred tax liability for timing differences between book profits and tax profits is accounted for using the tax rates and tax laws that have been enacted or substantially enacted as of Balance Sheet date. Deferred Tax Assets are recognized with regard to all deductible timing difference to the extent that it is probable that taxable profit will be available against which deductible timing difference can be utilized. When the company carries forward

accumulated losses and unabsorbed depreciation, deferred tax assets are recognized only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realized.

k) Retirement benefits:

Actual liability for gratuity is provided in respect of eligible employees. Other employees' benefits are accounted for as per Company's policy.

l) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimates. Contingent Assets are not recognized in the financial statements.

m) The amount of Stores consumed during the financial year includes the value of stores issued for repair and maintenance.

NOTES ON ACCOUNTS:

1. COMMITMENTS:

Estimated amount of Contracts remaining to be executed on capital account- Rs. NIL (Rs. NIL lakhs).

2. CONTINGENT LIABILITIES:

A. No provision has been made for:

- a. Outstanding Bank Guarantees and Counter Guarantees given by the Company Rs.5,05,17,112/- (Rs.5,86,07,112/-).
- b. Outstanding Letter of Credit Rs. 6,94,70,000/- (Rs.2,70,00,000/-)
- c. Sales tax Liability in respect of goods impounded- amount unascertained (The Company has deposited Rs.12,39,019/- as security with the dept.)
- d. VAT/Sales Tax liability for various years in respect of which either the Company or the department has filed appeals with higher authority in respect of various years Rs.40,66,56,736/-.The Company is Confident to get relief and chances of any liability is very remote.
- e. Excise cases pending with various statutory authorities being disputed Rs.29,12,69,588/-.The Company is Confident to get relief and chances of any liability is very remote.
- f. Civil suits and Labour cases pending against the Company not acknowledged as debts -Rs.3,73,47,274/- (Rs.3,89,54,461/-).

- g. The layoff at Orissa unit has been rejected by the competent Labour Authority and raised compensation of Rs.4.65 Crores .The Company has contested the same in the Court.
- h. As per Gas sales Agreement between GAIL and Company, total annual take or pay deficiency for the year 2014 works out to Rs.27.01 Crores and GAIL has raised a demand of Rs.10.33 Crores which has been disputed by the Company.
- i. WESCO utility, Orissa has raised a demand of Rs.1.24 Crores towards electricity bills charges for the period up to October 2014, which has been disputed by the Company.
- B.** Surety given to sales tax dept. for others. The Company has not considered these as contingent liability as chances of out flow of resources are remote as Company has a right to claim the same from other party.
- C.** Income Tax and Sales Tax Assessments:
 - a. Income tax assessments have been completed upto assessment year 2012-13. Additional liability, if any, in respect of pending assessments, would be provided for on completion of assessments.
 - b. Additional demand, if any, in respect of pending assessment of Sales Tax/ VAT/Entry Tax would be known only on completion of the assessments.
 - c. A search was conducted at the Company's premises by the Income Tax Department in the month of January 2015. Additional liability on account of the same would be provided for once finalized.
- 3.** Name of the Company has been changed from Rath Udyog Limited to Rath Steel And Power Limited w.e.f.20.03.2008.
- 4.** Post approval of Corporate Debt Restructuring scheme, Company has since implemented the same in the books of account to the extent implemented by the member banks and provision for interest has been made to the extent made by banks.
- 5.** Supreme Court in the month of September 2014 has cancelled the coal block allotted to the Company. A charge sheet was also filed against the Company and its officials. Court in its order dated 19.05.2015 have framed charges against Company under section 120-B IPC and under section 420 r/w Section 120 B IPC. As per the directions of Supreme Court Enforcement Directorate is also making investigations in connection with irregularity in Coal Block Allotment.
- 6.** During the year there has been an increase in Depreciation due to charging of depreciation for Orissa unit assets which was not charged in the last year.
- 7.** During the year company has charged an expense of Rs. 7.09 Crores to Profit and Loss Account as extra ordinary items. The same pertains to expenses incurred for development of Coal Block allotted to the Company, the same was cancelled by Hon'ble Supreme Court of India

8. FOREIGN CURRENCY TRANSACTIONS:

Expenditure in Foreign Currency:

- a. Raw material purchase (CIF) Rs.397777952/-
(Rs.114620206/-)

- b. Capital Goods (CIF) – Rs.5200000/- (Rs.5344546/-).

- c. Stores Purchased (CIF) - Rs.6703760/- (Nil)

Earning in Foreign Currency (FOB):

Finished goods sale Rs. Nil (Rs. Nil)

Details of consumption of imported and indigenous items

Rs. in lacs

Particulars	Imported				Indigenous			
	2014-15	%	2013-14	%	2014-15	%	2013-14	%
Materials	3977.78	6.40%	1146.20	2.47%	58180.39	93.60%	45213.60	97.53%
Stores and Spares	67.04	4.03%	-	-	1597.96	95.97%	1270.07	100%

9. Payment to auditors:

- a. Audit Fee – Rs.4,00,000 (Rs.4,00,000).
- b. Fee for Limited Review – Rs.1,00,000 (Rs.1,00,000).
- c. Out of Pocket Expenses-Rs.15,000 (Rs.15000).

10. Sundry debtors, advances, creditors & other liabilities includes inter parties transfers and are subject to confirmation and consequent adjustments. In the opinion of the Board of Directors, the current assets and loans & advances except doubtful in nature would realize at least

the amount at which these are stated in the Balance Sheet. For doubtful debts, the Board of Directors is very much hopeful for their recovery. Therefore, No provision has been made.

11. Sundry Creditors includes amount payable to MSME amounting to Rs.28.53 lacs. The parties have since filed the cases in the court and claimed interest in terms of the MSME Act alongwith Principal amount.

12. Earning Per Share (EPS):

Earning Per Share (EPS) – the numerators and denominators used to calculate earning per share:-

Particulars	Year Ended on 31.03.2015	Year Ended on 31.03.2014
Profit/(Loss) attributable to the Equity Shareholders (Rs.)(A)	(823923124)	(743367066)
Profit/(Loss) Cash attributable to the Equity Shareholders (Rs.) (B)	(434349846)	(654199048)
Weighted average number of Equity Shares Outstanding during the year (C)	31308111	31308111
Nominal Value of Share (Rs.)	10	10
Earnings Per Share (Rs.) (A)/(C)	(26.32)	(23.74)
Earnings Per Share (Cash) (Rs.) (B)/(C)	(13.87)	(20.90)

13. Related Party Disclosure:

In accordance with Accounting Standard (AS-18) on related party disclosure, where control exists and where key management personnel are able to exercise significant influence and, where transactions have taken place during the year, alongwith description of relationship identified, are given below:

- a) Individuals
1. Shri Udit Rathi
 2. Smt. Sonal Rathi
 3. Smt. Divya Rathi
- b) Key Managerial Personnel
- Shri Pradeep Kumar Rathi
- Shri P N Varshney

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

Particulars	Key Managerial Personnel (Rs)	Individuals (Rs)
Paid for rendering of services	3102150	5280000

14. Segmental Reporting:

The business activity of the company falls within one broad segment viz Steel. Hence the disclosure requirement of Accounting Standard-17 of "Segment Reporting" issued by the Institute of Chartered Accounts of India is not given.

15. Previous year figures have been regrouped or recast wherever necessary.

As per our Report of even date
For **M. LAL & Co.**
Chartered Accountants

Sd/-
Prem N.Varshney
Whole Time Director
DIN 00012709

Sd/-
Pradeep Kumar Rathi
Managing Director
DIN 00012596

Sd/-
Sakshi Sethi
Company Secretary

Sd/-
M.L. Agrawal
M. No. 11148

Sd/-
Anil Gupta
CFO

Place : New Delhi
Dated: 15.06.2015

RATHI STEEL AND POWER LIMITED

CIN: L27109DL1971PLC005905

Registered Office: Chauhan Market, Madanpur Khadar, Near Local Shopping Complex,
Pocket -D & E, Sarita Vihar New Delhi- 110076

E-Mail: investors@rathisteelandpower.com www.rathisteelandpower.com

ATTENDANCE SLIP

Regd. Folio No./DPID-CLID

No. of Shares Held

Name of the Shareholders or Proxy (In Block Letters)

I hereby record my presence at the 44th Annual General Meeting of the Company to be held on Wednesday, the 30th day of September, 2015 at 11.00 a.m. at The Little theater Group, Copernicus marg, New Delhi-110001

Signature of the Shareholder/Proxy:

Note: PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL

RATHI STEEL AND POWER LIMITED

CIN: L27109DL1971PLC005905

Registered Office: Chauhan Market, Madanpur Khadar, Near Local Shopping Complex,
Pocket -D & E, Sarita Vihar New Delhi- 110076

E-Mail: investors@rathisteelandpower.com www.rathisteelandpower.com

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies
(Management and Administration) Rules, 2014]

Folio/ DP-Client ID No. :

Name of the member(s) & Registered Address:

E-mail ID

I/We, being the Member (s) of.....Shares of Rathi Steel and Power Limited, hereby appoint:

1. Name: Address:

E-mail Id: Signature or failing him;

2. Name: Address:

E-mail Id: Signature or failing him;

3. Name: Address:

E-mail Id: Signature or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 44th Annual General Meeting of the Company, to be held on Wednesday, 30th September 2015 at 11.00 a.m. at The Little theater Group, Copernicus marg, New Delhi-110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolution	For	Against
	Ordinary Business		
1.	Consider and adopt Audited financial statement of the Company for the financial year ended March 31, 2015, the report of the Board of Directors and Auditors thereon. (Ordinary Resolution)		
2.	Re-appointment of Shri Pradeep Kumar Rathii (DIN: 0012596), who retires by rotation and being eligible, (Ordinary Resolution)		
3.	Ratification of appointment of Statutory Auditors and fixing their remuneration. (Ordinary Resolution)		
	Special Business		
4.	Appointment of Ms Akanksha Garg as Director (Ordinary Resolution)		
5.	Approving the remuneration of cost auditor for the financial year 2015-16 (Ordinary Resolution)		
6.	Approving the new set of Articles of Association (Special Resolution)		

Signed this _____ day of _____ 2015

Signature of Shareholder _____

Signature of Proxy holder(s) _____

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.