



RATHI MERCANTILE INDUSTRIES LIMITED

Report  junction.com

2000 - 2001

ANNUAL REPORT

NINETH ANNUAL REPORT 2000-2001

BOARD OF DIRECTORS

Shri B. L. Varma
Shri K. P. Chokhani
Shri S. L. Khunteta
Shri Arun Jain

AUDITORS

M/s. J. M. Bhargat & Co.
Chartered Accountants
Mumbai.

BANKERS

Bank of Baroda
UCO Bank

REGISTERED OFFICE

Queen's Mansion, Ground Floor,
Prescot Road, Fort,
Mumbai - 400 001.

SHARE TRANSFER AGENT

M/s. Bigshare Services Pvt. Ltd.
E-2, Ansa Industrial Estate,
Saki Vihar road, Saki Naka,
Andheri (E), Mumbai - 400 072.

Contents :

	Page
Notice	2
Directors' Report	3
Auditors' Report	6
Balance Sheet	9
Profit & Loss Account	10
Schedules to the Account	11

**RATHI MERCANTILE
INDUSTRIES LIMITED**

NOTICE

NOTICE is hereby given that Nineth Annual General Meeting of the Members of RATHI MERCANTILE INDUSTRIES LIMITED will be held at Venkatesh Chamber, Prescott Road, Fort, Mumbai - 400 001 on Thursday the 27th September, 2001 at 3.30 p.m. to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2001, the Balance Sheet as at that date and the Reports of the Directors & Auditors thereon.
2. To appoint auditors and to fix their remuneration.
3. To appoint a Director in place of Mr. K. P. Chokhani who retires by rotation, being eligible, offer himself for re-appointment.

NOTES :

1. A MEMBER ENTITLED TO ATTEND THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE PROXY FORM DULY FILLED MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during 10.30 a.m. and 12.30 p.m. on all working days except Saturdays and Holidays upto the date of Annual General Meeting.
4. Members are requested
 - (i) To quote their folio numbers in all correspondence
 - (ii) To notify immediately any change in their address to the Share Transfer Agents.

Report  junction.com

For and on behalf of the Board

Mumbai, 26th July, 2001

B. L. VARMA
DIRECTOR

NINETH ANNUAL REPORT 2000-2001**DIRECTORS' REPORT**

TO THE SHAREHOLDERS OF
RATHI MERCHANTILE INDUSTRIES LIMITED

Your Directors have pleasure in presenting their Ninth Annual Report together with the Audited Accounts for the year ended 31st March, 2001. The financial Results of the Company are summarised below :

Financial Results

(Rs. in lacs)

	Year ended <u>31.3.2001</u>	Year ended <u>31.3.2000</u>
Total Income	35.78	44.92
Total Expenditure	20.88	12.42
Interest	2.27	9.03
Gross operative Profit (before depreciation and tax)	12.63	23.47
Depreciation	4.01	0.19
Provision for Taxation	2.80	9.50
Net Profit after tax	5.82	13.78
Paid up Equity Share Capital	379.86	379.86
Reserve & Surplus	46.60	40.78

DIVIDEND

In view of inadequate Profit, your Directors have decided not to recommend any dividend for the year under review.

OPERATIONS

During the year the Company has started Computer Software Development, Hardware Trading & Maintenance Division as a separate division under the name and style of "Shloka Infotech".

The Company has initiated necessary steps to change the name of the Company so as to reflect the additional activities being undertaken by the Company. Necessary clearance/approval is waited from respective authorities.

CORPORATE GOVERNANCE

The Board is committed to adopt, besides any obligations under relevant laws or regulations, relevant best practices for Corporate Governance. Further, the Directors are fully committed to implement all the requirements of clause 49 of the Listing Agreement during current financial year itself although the formal date for compliance by the Company is by 31st March, 2003. The steps which have already been taken to implement the Corporate Governance Code are given herein below :

RATHI MERCANTILE INDUSTRIES LIMITED

1. The Company's Philosophy on Code of Corporate Governance

Company's Philosophy on Corporate Governance envisages the attainment of the highest levels of transparency and accountability, in all facets of its operations, in all interactions with its shareholders, employees, government and lenders.

2. Board of Directors

The Board consists of four directors, all of whom are highly experienced and occupy Senior Executive positions in their sphere of work. During the year 2000-01, the Board met 4 times on : 27th April, 2000, 27th July, 2000, 30th October, 2000 and 29th January, 2001. In addition Annual General Meeting was held on 28th September, 2000 and Extra ordinary General Meeting was also held on 6th February, 2001 to obtain necessary approval of shareholders in connection with additional activities being carried on by your Company.

3. Audit Committee

Although no Audit Committee is required to be constituted u/s. 292A of the Companies Act, 1956, as the paid-up Capital of your Company is less than Rs. 10 crores, but the Board of Directors of your Company oversee & exercise profit control over the financial reporting process & on the working of the Company.

4. Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee was constituted by the Board comprises of two directors, namely Shri Arun Jain and Shri K.P. Chokhani. The Committee inter alia approves issue of duplicate share certificates and reviews all matters connected with the securities transfer. The Committee also looks into redressing of shareholders/investors complaints like transfer of shares, non receipt of balance sheet, non receipt of dividends etc. The Committee also oversees the performance and overall improvement in the quality of investor services. Any shareholder/investor having any grievance of any nature whatsoever can contact any one or both the aforesaid Directors.

DIRECTOR'S RESPONSIBILITY STATEMENT

Your Directors confirm :

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures.
- ii) that they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- iii) that they had taken proper and sufficient care for the 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 fraud and other irregularities.
- iv) that they had prepared the annual accounts on a going concern basis.

NINETH ANNUAL REPORT 2000-2001

FIXED DEPOSITS

The Company has not accepted Fixed Deposits, as such the question of unclaimed deposits does not arise. The Company is registered as Non-banking Finance Co. with Reserve Bank of India under No. 13.00876. The Company is complying with all the Directions issued by Reserve bank of India.

DIRECTORS

Shri K. P. Chokhani, Director of the Company retires by rotation, but being eligible offers himself for re-appointment and necessary resolution is therefore being proposed for his re-election. Your Director recommended the aforesaid appointment.

AUDITORS

M/s J.M. Bhargat & Co., Chartered Accountants, Mumbai retiring Auditors, retire at the forthcoming Annual General Meeting and being eligible offers themselves for reappointment.

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

The information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 is not applicable to the Company.

PARTICULARS OF EMPLOYEES

There were no employees of the category mentioned in Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

ACKNOWLEDGEMENT

Your Directors acknowledge with thanks the co-operation received from the Shareholders, the Bankers, Share Transfer Agents and look forward for their continued support, and to the staff and employees of the Company for their dedication and efforts towards the progress of the Company.

For and on behalf of the Board of Directors

B. L. VARMA
K. P. CHOKHANI
DIRECTORS

Mumbai, 26th July, 2001

Report  junction.com