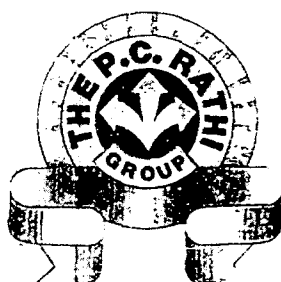




Rathi Udyog Ltd.

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26th Annual Report 1996-97



MD	✓		BKC	
CS	✓		DPY	
RO	✓		DIV	
TRA	NE		AC	✓
AGM	✓		SHI	✓
YE	✓			



BOARD OF DIRECTORS :

P.C. Rathi - Executive Director
Pradeep Rathi
Rajendra Kumar Daga
Prem Narayan Varshney

SECRETARY :

B.R. Tapariya

AUDITORS :

K.G. Somani & Company,
3/15, Asaf Ali Road
New Delhi.

LEGAL ADVISOR :

Shiv Khorana, Advocate
2289, Arya Samaj Road
New Delhi - 110005

BANKER :

Bank of Baroda

REGISTERED OFFICE :

SFS 260, Hauz Khas Apartment
Hauz Khas, NEW DELHI - 110 016

WORKS :

Industrial Area No.1,
South of G.T. Road
Ghaziabad - 201009
Uttar Pradesh



NOTICE

Notice is hereby given that the 26th Annual General Meeting of the members of Rathi Udyog Ltd. will be held on Wednesday, the 31st December, 1997 at 10 A.M. at Gandhi Memorial Hall, 2-Bahadur Shah Zafar Marg, New Delhi-110002, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1997 alongwith Profit & Loss Account for the year ended on 31st March, 1997 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Rajendra Kumar Daga who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modification, the following resolution as ordinary resolution :

"RESOLVED THAT the Notice with intention to propose Shri Prem Narayan Varshney as Director having been received from a member under Section 257 of the Companies Act, 1956, Shri Prem Narayan Varshney, who was co-opted as Additional Director of the Company and he holds office upto the date of this Annual General Meeting pursuant Section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company."

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.

2. Members are requested to notify immediately change of address, if any, to the Company's Registered Office.
3. The Register of Members of the Company will remain closed from 27th December, 1997 to 31st December, 1997 (both days inclusive).
4. The relative explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of special business under Item No. 4 set out above is given hereto.

EXPLANATORY STATEMENT (Pursuant to Section 173(2) of the Companies Act, 1956. Item No.4) :

Shri Prem Narayan Varshney was appointed as an Additional Director of the Company by the Board of Directors in accordance with Section 260 of the Companies Act, 1956. He holds office upto the date of forthcoming Annual General Meeting of the Company, but he is eligible for re-appointment. Notice has been received by the Company from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose Shri Prem Narayan Varshney as a Director of the Company.

The Board of Directors consider it desirable to continue to avail of his guidance and advice. Except Shri Prem Narayan Varshney himself, none of the Directors is interested in this resolution.

By order of the Board

Dated : November 05, 1997

Regd. Office :
260-SFS, DDA Flats,
Hauz Khas
New Delhi - 110016

B.R. Tapariya
Secretary

DIRECTOR'S REPORT

Your Directors have pleasure in presenting the twenty-sixth Annual Report of your Company together with the audited Statement of Accounts for the year ended 31st March, 1997.

FINANCIAL RESULTS

(Rs. in Lacs)
Year ended
31.03.1997

Profit before depreciation and Tax	157.08
Depreciation	119.33
Net Profit	37.75

PERFORMANCE

The performance of the Company is not satisfactory as the working has affected due to non-completion of the expansion programme already in hand, for want of funds. Non-completion of the expansion programme has also affected the use of existing equipments, resulting into lower production. The lower production has resulted into increase in overheads and consumables per ton.

DIVIDEND

No dividend has been proposed in view of inadequate profit and requirement of funds for expansion programme.

DEPOSITS

There are no overdue/unclaimed deposits.

PARTICULARS OF EMPLOYEES

There were no employee(s) whose particulars were covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

INSURANCE

All the properties of the Company including its Building, Plant & Machinery and Stocks have been adequately insured.

AUDITOR'S OBSERVATIONS

The observations of the Auditors are self-explanatory and do not require any comments.

INDUSTRIAL RELATIONS

The Company had harmonious industrial relations at all levels of the organisation. It will be the endeavour of the Company to continue to maintain the said relations.

ADDITIONAL INFORMATION REGARDING CONSERVATION OF ENERGY

The information in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo, as required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, is enclosed as Annexure to this Report.

AUDITORS

M/s K.G. Somani & Company, Chartered Accountants, who are Auditors to the Company hold office until the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

DIRECTORS

Snri Rajendra Kumar Daga Director of the Company, retires by rotation and is eligible for re-appointment. The Board recommends his appointment.

Shri Prem Narayan Varshney was co-opted by the Board as an Additional Director and he holds office upto the date of the this Annual General Meeting of the Company. The Board recommends his appointment.

ACKNOWLEDGEMENT

The Board wishes to place on record its appreciation for the cooperation and assistance received from Bank of Baroda, The Industrial Finance Corporation of India Ltd. and Central/State Governments. The Board is also grateful to the shareholders, employees, customers and suppliers for their valuable support.

for and on behalf of the Board

Place : New Delhi
 Dated : November 05, 1997

Pradeep Rathi
Director

ANNEXURE TO DIRECTOR'S REPORT

INFORMATION UNDER SECTION 217(1) (C) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULE, 1988.

A. CONSERVATION OF ENERGY

- a) Energy conservation measures.
- b) No further advancement in the technology has taken place so far.

B. POWER AND FUEL CONSUMPTION

This Year Prev. Year

1. Electricity

a) Purchased units(KWH)	9925519	6232077
Total amount (Rs.)	32719278	18402015
Rate/unit (Rs.)	3.30	3.10

b) Own generation**i) Through diesel**

generator unit (KWH)

unit per litre of diesel

oil cost/units (Rs.)

NIL NIL

ii) Through steam

turbine generator

NIL NIL

unit per litre of

fuel/oil/cost/unit.

2. Coal

No coal is used

3. R.F.O./F.O./L.D.O.

Quantity (K. Litres)	89	326
Total amount (Rs.)	682635	2166025
Average Rate (Rs./Ltr.)	7.65	6.65

4. Natural Gas (Standard Cubic Metre)

Quantity	4827000	4595000
Total Amount	16003050	15975762
Rate/Unit (Rs./SCM)	3.32	3.47

C. CONSUMPTION PER UNIT OF PRODUCTION

Production-Steel Bars (MT)	58364	41097
Electricity (KWH)	170	151
Furnace Oil (Ltr.)	1.52	8
Coal Steam 'B' Grade	NIL	NIL
Natural Gas(Standard Cubic Metre)	83	112
Fuel & Oil (Rs./Ton)	286	388

D. TECHNOLOGY ABSORPTION

1 Efforts made in technology absorption
Research and Development - efforts are in progress to set up a Research Wing.

2. Expenditure on R&D - NIL NIL

3. Information relating to imported technology - N.A.

E. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earning (Rs.)	NIL	NIL
Outgo (Rs.)	772146	1728894