

RATHI THERMEX

RATHI TOR

RATHI THERMEX

RATHI TOR

**31ST
ANNUAL-REPORT
2001-2002**

RATHI TOR

RATHI THERMEX

RATHI TOR

RATHI THERMEX

Rathi Udyog Ltd.

Report  junction.com



AN ISO 9002 & 14001 COMPANY

RATHI[®] TOR[®] RATHI[®] THERMEX[®]

BOARD OF DIRECTORS :

P.C. Rathi
Pradeep Rathi - Managing Director
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 :

1/3, Khirki Village,
Malviya Nagar
New Delhi - 110 01 7
Phones : 011-668 8733,
668 2734

WORKS :

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

NOTICE

Notice is hereby given that the 31st Annual General Meeting of the members of Rathi Udyog Ltd will be held on Saturday, the 28th September, 2002 at 10.00 A.M. at No. 5, Anand Gram, Near Village Ghitorni, Gurgaon Mehrauli Road, P.O. Arjungarh, New Delhi-110047 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2002 alongwith Profit & Loss Account for the year ended on 31st March, 2002 and the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a director in place of Shri. P. C. Rathi, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any of the Companies Act, 1956, (including any statutory modifications or reenactments thereof, for the time being in force) and subject to such approval or consents as may be necessary or required, the

consent of the members of the Company be and is hereby accorded to the appointment of Shri. P. C. Rathi as whole time Director for a period of five years with effect from 01/10/2002 on a salary of Rs. 50,000/- per month and perquisites like use of Car, Telephone at residence, Medical expenses incurred for self and family members and Hospitalisation reimbursement with such powers and functions as the Board of Directors may from time to time require him to exercise.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to amend, vary or increase the remuneration, fix the perquisites and other allowances within the prescribed limit of ceiling specified in schedule XIII of the Companies Act, 1956 and to take such steps as may be necessary, proper or expedient to give effect to this Resolution".

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

"RESOLVED THAT subject to the provisions of Companies Act, 1956 and other applicable provisions, consent of the Company be and is hereby accorded to the payment of revised salary of Rs. 50,000/- per month to Shri Pradeep Rathi, Managing Director of the Company w.e.f. 01/10/2002.

RESOLVED FURTHER THAT save and except the above, the other terms and conditions of appointment and remuneration of Shri Pradeep Rathi, Managing Director already approved by the shareholders at the Annual General Meeting held on 29th September, 1998, shall remain unchanged".

Place : New Delhi

Dated: 24th Aug, 2002

For and on Behalf of the board

B.R. Tapariya
Secretary

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. The Explanatory statement as required under Section 173(2) of the companies act, 1956, in respect of the special business as aforesaid is annexed to the notice.
3. Members are requested to notify immediately change of address, if any, at the Company's Registered Office.
4. The Register of Members of the Company will remain closed from 26th Sept, 2002 To 28th Sept, 2002 (both days inclusive).
5. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
6. Members desiring any information about the accounts, are requested to write to the Company at least 15 days in advance so as to enable the Company to keep the information ready.
7. Shareholders who are still holding physical share certificates are advised to dematerialized their shareholding to avail benefits of dematerialisation which includes easy liquidity since trading is permitted in dematerialized form, electronic transfer, saving in stamp duty and prevention of forgery.
8. Members can avail of the nomination facility by filing form 2b as prescribed under Companies (Central Govt.), General Rules and forms, 1956 with the Company. Blank forms will be supplied on request.
9. Dividend (subject to TDS) on shares, as recommended by directors, if declared at the meeting will be payable to those members whose names appear on the Register of Members of the Company as on 28/09/2002 and the statement of beneficial ownership (in the case of demat shareholders) furnished by National Securities Depository Limited (NSDL) and Central Depository Services (CDSL) for the purpose of Dividend Payment.
10. Dividend on partly-paid shares shall not be paid and will be kept in abeyance.
11. Tax will not be deducted at source if the dividend amount does exceed Rs. 1,000/- (Only for Resident Individual Shareholders).
12. At the ensuing Annual General Meeting, Shri P.C. Rath, Director of the Company, retire by rotation and being eligible offer himself for reappointment.

The information to be provided under Listing Agreement are as under :

Shri P. C. Rath, 68 years, is a director of the company since inception. He is an industrialist and having wide range of experience in steel industry in the field of Management and Administrations.

Explanatory Statement as required under section 173 (2) of the Companies Act, 1956.

Item No. 5

Keeping in view his long experience and active involvement into the affairs of the Company, the Board of Directors in its meeting held on 24/08/2002 has approved the appointment of Shri P.C. Rath as whole time Director for a period of 5 years w.e.f. 01/10/2002 on monthly salary of Rs. 50,000/- and perquisites like use of Car, Telephone at residence, Medical expenses incurred for self and family members and Hospitalisation reimbursement. The remuneration payable to Shri P.C. Rath has been fixed in accordance with the provision of schedule XIII of the Companies Act, 1956 and subject to approval of the members of the Company.

Except Shri P.C. Rath himself, Shri Pradeep Rath, Son of Shri P.C. Rath and Shri Rajendra Kumar Daga, Son-in-law of Shri P.C. Rath no other directors of the Company are interested in this resolution.

The Board of Directors commend the resolution for your approval.

Item No. 6

Keeping in view the improved results of the company in this difficult period and in recognition of contribution of Shri Pradeep Rath, Managing Director to the performance and growth of the company, the Board of Directors considers it appropriate that his remuneration be revised as set out in the resolution at item 6 of the accompanying notice. The resolution mentioned in this item is accordingly commended for your acceptance.

Except Shri Pradeep Rath, himself, Shri P.C. Rath, Father of Shri Pradeep Rath and Shri Rajendra Kumar Daga, Sister's husband of Shri Pradeep Rath, no other directors of the Company are interested in this resolution.

The Board of Directors commend the resolution for your approval.

Dated: 24th Aug., 2002

For and on Behalf of the board

B.R. TAPARIYA
Secretary

Regd.Office :
1/3, Khirki Village, Malviya Nagar
New Delhi – 110 017

DIRECTORS' REPORT**TO THE MEMBERS,**

The directors have pleasure in presenting the 31st Annual Report together with the audited Accounts of the Company for the year ended 31st March, 2002.

FINANCIAL RESULTS

Particulars	Year ended 31st Mar., 2002 (Rs. in Lakhs)	Year ended 31st Mar., 2001 (Rs. in Lakhs)
Profit before depreciation and Tax	189.76	101.92
Depreciation	100.63	57.84
Provision for tax	10.65	4.73
Net Profit after tax	78.48	39.35
Provision for deferred tax	20.91	-
Net profit after income tax and Deferred tax	57.57	39.35

DIVIDEND

Considering above results, your directors are pleased to recommend a dividend of 6% on equity share of Rs.10/- each for the year ended 31st March, 2002 subject to Income Tax, as applicable.

PERFORMANCE REVIEW

The Company achieved a net profit after tax of Rs.78.48 lacs, up from Rs.39.35 lac, thus registering an impressive growth. This has been possible due to various steps taken in the past to improve profit margin through change in product mix.

DIVERSIFICATION

As informed in our earlier Report, the TMT manufacturing project has been completed during the year under review, in technical collaboration of Hennigsdorfer Stahl Engineering, Germany, and with financial assistance from Bank of Baroda. The commercial production has been received during December, 2001.

PUBLIC DEPOSITS

The Company has not raised/received any public deposit during the year. There is no overdue/unclaimed deposit.

INVESTOR SERVICES

Your directors are pleased to inform you that your Company has taken various measures to improve the

quality of investor services during the year under review.

DIRECTORS

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Shri P.C. Rathie retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. The Board recommends his appointment.

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.

AUDITORS' REPORT

The notes on accounts referred to and the Auditor's Report except point no. 4 of the said report are self explanatory and therefore do not call for any comment. Efforts are in progress to maintain the segment-wise records during current year, if applicable.

PARTICULARS OF EMPLOYEES

During the year under review or part thereof, there was no employee whose particulars are covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

ADDITIONAL INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The information required under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in the Annexure and forms an integral part of this Report.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2A) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- That in the preparation of the annual accounts for the financial year ended 31st March, 2002, the applicable accounting standards had been followed.
- That directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of company at the end of the financial year and of the profit or loss of the Company for the year under review.

- c) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the directors had prepared the accounts for the financial year ended 31st March, 2002 on a "going concern" basis.

LISTING

The equity shares of the Company are presently listed on the Delhi Stock Exchange Association Limited and The Stock Exchange, Mumbai. The Company has duly paid the listing fees to both the aforesaid Stock Exchanges for the financial year 2001-2002.

CORPORATE GOVERNANCE

Your directors reaffirm their commitment to the Corporate Governance Standards prescribed by the Securities & Exchange Board of India (SEBI).

HUMAN RESOURCES

Employees relations continued to be cordial throughout the year. The Company has deputed two executives for higher studies/training abroad. After completion, they will be absorbed in the Company.

APPRECIATION

Your directors wish to place on record their appreciation of the valuable services rendered by all the employees of the company, their gratitude to Bank of Baroda for its timely assistance and to customers of the company, distributors, suppliers and shareholders for their continued support.

For and on behalf of the Board

P.C. Rathi	Pradeep Rathi
Director	Managing Director

Place : New Delhi
Dated : 24th Aug., 2002



ANNEXURE TO DIRECTOR'S REPORT :

INFORMATION UNDER SECTION 217(I)(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)	115221864	10751910
Total amount (Rs.)	46643867	40720491
Rate/unit (Rs.)	4.05	3.78
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 unit per litre of fuel/oil/cost/unit	NIL	NIL
2. Coal	No coal is used.	

3. Natural Gas/RFO/FO/LDO

Quantity (SCM/KL)	5610814	5123014
Total amount (Rs.)	33670729	23013585
Average rate of natural gas (Rs/SCM)	4.55	4.49
Average Rate of F.O. (Rs./Ltr)	9.45	---

C. CONSUMPTION PER UNIT OF PRODUCTION:

Production - Steel Bars (MT)	48362	44371
Electricity (KWH)	238	242
Coal Steam 'B' Grade	NIL	NIL
Natural Gas(SCM)		
RFO/FO/LDO(Ltr)	116	115
Fuel & Oil (Rs./ton)	696	518

D. TECHNOLOGY ABSORPTION:

1. Efforts made in technology absorption: No new technology has come up. However, we make all efforts to upgrade the technology as and where required.

Research and Development - No research is required.

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.)	4348523	5111465

AUDITOR'S REPORT

We have audited the attached Balance Sheet of M/s. RATHI UDYOG LIMITED, as at 31st March, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956. We enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

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

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of the books.
3. The Balance Sheet and Profit & Loss Account dealt with in this Report, are in agreement with the books of accounts.

4. In our opinion, subject to our comments below, Except to Accounting Standard 17, regarding segment reporting, the Balance Sheet and Profit & Loss Account comply with the Accounting Standard referred to in Section (3) (c) of the Companies Act 1956.
5. On the basis of written representation made by Directors and taken on record by Board of Directors, no Director of Company is disqualified from being appointed as director under clause (g) of sub-section (1) of Sec. 274 of Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanation given to us, the accounts, **subject to Accounting Policy 1 (a) (iii) regarding depreciation on rolls, Note No. 4 (a) regarding diminution in value of investments, the result of the year and Note No. 3 regarding lower provision of depreciation of Rs. 133.93 lacs on plant & machinery of earlier year Profit & Loss A/C is over stated to these extents.**

Subject to the above, the accounts read with the other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:

- i) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2002, and
- ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.

for K.G. SOMANI & CO.
Chartered Accountants,

(VINOD SOMANI)
PARTNER

Place : New Delhi
Dated : 24th Aug.,2002