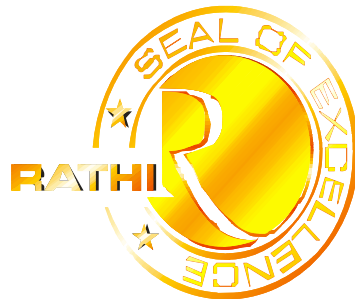


RATHI BARS LIMITED

(AN ISO 9001-2015 COMPANY)



27th
ANNUAL REPORT
2019-2020

COMPANY INFORMATION

| | |
|---|--|
| BOARD OF DIRECTORS | Sh. Kamlesh Kumar Rathi (Managing Director) Sh. Anurag Rathi (WTD and CFO) Sh. Uddhav Rathi (Director) Sh. Ashok Kumar Garg (Independent Director) Sh. Binod Kumar Maheshwari (Independent Director) Smt. Sonali V Chitalkar (Independent Director) Smt. Shikha Chakraborty (Independent Director) Sh. Chander Mohan (Additional Director) |
| STATUTORY AUDITORS | M/s Ravindra Jyoti Agarwal & Co. (Chartered Accountants) 26/203, II Floor, Shakarpur, New Delhi-110092 |
| INTERNAL AUDITOR | Mr. Jagdish Chugh, Manager- Accounts |
| SECRETARIAL AUDITORS | M/s Gouransh Chawla & Co. (Company Secretaries) B-805, JM Aroma, Sector-75, Noida-201304 (U.P) |
| COST AUDITOR | M/s Avnesh Jain & Co. (Cost Accountants) 39, Adarsh Basti, Tonk Fatak, Jaipur (Raj)-302015 |
| BANKERS | HDFC Bank Limited Defence Colony, New Delhi-110049 |
| REGISTERED OFFICE | A-24/7, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-110044 Ph: 011-4316 5400 Fax: 011-4059 7117 E-mail: rathibars@hotmail.com |
| PLANT LOCATION | SP1,-7, RIICO Industrial Area, Khushkhera, P.O. Tapukara, Distt. Alwar, Rajasthan Ph.: 01493-518836 |
| REGISTRAR & SHARE TRANSFER AGENT | M/s MAS Services Limited, T-34, Second Floor, Okhla Industrial Area, Phase II, New Delhi-110020 Phone: 011-2638 7281-83 |

RATHI BARS LIMITED**INDEX**

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NOTICE

NOTICE is hereby given that the **TWENTY SEVENTH ANNUAL GENERAL MEETING (AGM)** of the Members of **RATHI BARS LIMITED** will be held on **Tuesday, 29th September, 2020 at 10.00 A. M.** through Video Conferencing (VC)/Other Audio Visual Means (OAVM) organized by the Company, to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company situated at A-24/7, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-110044 to transact the following businesses:

ORDINARY BUSINESS:

1. ADOPTION OF STANDALONE FINANCIAL STATEMENTS:

To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2020 and Statement of Profit & Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon:

“RESOLVED THAT the Company’s Audited Balance Sheet as at 31st March, 2020, the Audited Statement of Profit & Loss Account and Cash Flow Statement for the financial year ended on that date together with Director’s and Auditor’s Report thereon be and are hereby approved and adopted.”

2. APPOINTMENT OF DIRECTOR IN PLACE OF RETIRING DIRECTOR:

TO CONSIDER AND IF THOUGH FIT, TO PASS, WITH OR WITHOUT MODIFICATIONS, IF ANY, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

“RESOLVED THAT Mr. Kamlesh Kumar Rathi (DIN:00112321), who retires from the office of Director by rotation in this Annual General Meeting, be and is hereby re-appointed as a Director of the Company, whose office shall be liable for retirement by rotation.”

SPECIAL BUSINESS:

3. APPOINTMENT OF ADDITIONAL DIRECTOR, MR. CHANDER MOHAN AS DIRECTOR

TO CONSIDER AND, IF THOUGH FIT, TO PASS WITH OR WITHOUT MODIFICATION, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

“RESOLVED THAT Mr. Chander Mohan (DIN: 08679269), who was appointed as an Additional Director on the Board of Directors (‘Board’) of the Company with effect from 30th January, 2020, in terms of Section 161 of Companies Act 2013 and holds office up to the date of this Annual General Meeting, be and is hereby appointed as the Director of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give complete effect to this resolution.”

4. RE-APPOINTMENT OF MANAGING DIRECTOR, MR. KAMLESH KUMAR RATHI AS MANAGING DIRECTOR

TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION, THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and Schedule V of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, and the Articles of Association of the Company and recommendation of Nomination and Remuneration Committee, Mr. Kamlesh Kumar Rathi (DIN: 00112321), be and is hereby re-appointed as Managing Director of the Company for a period of Five years with effect from 01 day of October, 2020 on such terms and conditions with the liberty given to the Board of Directors to alter and vary the terms and conditions of the said reappointment and/or remuneration in such manner as may be agreed to by and between the Company and Mr. Kamlesh Kumar Rathi provided, however, such alterations are within the maximum limits laid down in the Companies Act, 2013 for the time being in force.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all the acts and take such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. APPOINTMENT OF WHOLE TIME DIRECTOR, MR. ANURAG RATHI AS WHOLE TIME DIRECTOR

TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and Schedule V of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, and the Articles of Association of the Company & recommendation of Nomination and Remuneration Committee, Mr. Anurag Rathi (DIN: 00063345), who is Chief Financial Officer of the Company, be and is hereby appointed as Whole Time Director of the Company for a period of Five years with effect from 01 day of October, 2020 on such terms and conditions, with the liberty given to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration in such manner as may be agreed to by and between the Company and Mr. Anurag Rathi provided however, such alterations are within the maximum limits laid down in the Companies Act, 2013 for the time being in force.”

“RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give complete effect to this resolution.”

6. APPROVAL OF RELATED PARTY TRANSACTIONS WITH RATHI SPECIAL STEELS LIMITED

TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION, THE FOLLOWING RESOLUTION AS ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 188 (1) (a) and all other applicable provisions, if any of the Companies Act, 2013 (‘Act’) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into Contracts and/or agreements with Rathi Special Steels Limited (three directors are common in both the companies) with respect to sale, purchase or supply of goods or materials, selling or otherwise disposing of at arm’s length prices up to an amount not exceeding an aggregate of Rs. 100 Crore (Rupees One Hundred Crore) per annum as per the terms and conditions set out in the draft agreement placed before the meeting and initialed by the chairman for the purpose of

identification and in such form and manner as the Board in its absolute discretion may deem fit and proper.”

“RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of the Company and incidental thereto, and to sign and execute all deeds, applications, documents and writing that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution.”

7. APPROVAL OF RELATED PARTY TRANSACTIONS WITH BHIWADI IRON PRIVATE LIMITED

TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 188 (1) (a) and all other applicable provisions, if any of the Companies Act, 2013 (‘Act’) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into Contracts and/or agreements with Bhiwadi Iron Private Limited (three directors are common in both the companies) with respect to sale, purchase or supply of goods or materials, selling or otherwise disposing of arm’s length prices up to an amount not exceeding an aggregate of Rs. 10 Crore (Rupees Ten Crore) per annum as per the terms and conditions set out in the draft agreement placed before the meeting and initialed by the chairman for the purpose of identification and in such form and manner as the Board in its absolute discretion may deem fit and proper.”

“RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of the Company and incidental thereto, and to sign and execute all deeds, applications, documents and writing that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution.”

8. APPROVAL OF RELATED PARTY TRANSACTIONS WITH KHUSHKHERA STEELS PRIVATE LIMITED

TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 188 (1) (a) and all other applicable provisions, if any of the Companies Act, 2013 (‘Act’) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into Contracts and/or agreements with Khushkhera Steels Private Limited (three directors are common in both the companies) with respect to sale, purchase or supply of goods or materials, selling or otherwise disposing of arm’s length prices up to an amount not exceeding an aggregate of Rs. 10 Crore (Rupees Ten Crore) per annum as per the terms and conditions set out in the draft agreement placed before the meeting and initialed by the chairman for the purpose of identification and in such form and manner as the Board in its absolute discretion may deem fit and proper.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of the Company and incidental thereto, and to sign and execute all deeds, applications, documents and writing that may be required, on behalf of the Company

and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution.”

9. APPROVAL OF RELATED PARTY TRANSACTIONS WITH BALAJI STEEL ENTERPRISES

TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 188 (1) (a) and all other applicable provisions, if any of the Companies Act, 2013 (‘Act’) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into Contracts and/or agreements with Balaji Steel Enterprises (Proprietorship firm of Mr. Kamlesh Kumar Rathi, Managing Director) with respect to sale, purchase or supply of goods or materials, selling or otherwise disposing of at arm’s length prices up to an amount not exceeding an aggregate of Rs. 50 Crore (Rupees Fifty Crore) per annum as per the terms and conditions set out in the draft agreement placed before the meeting and initialed by the chairman for the purpose of identification and in such form and manner as the Board in its absolute discretion may deem fit and proper.”

“RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of the Company and incidental thereto, and to sign and execute all deeds, applications, documents and writing that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution.”

10: AUTHORIZATION UNDER SECTION 180(1)(a) OF THE COMPANIES ACT, 2013

TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION, THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

“RESOLVED THAT in supersession of the earlier resolution passed in this regard and pursuant to the provisions of Sections 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re- enactments thereof, for the time being in force) read with the rules made there under, as may be amended from time to time, consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as ‘Board’ which term shall include a Committee thereof authorized for the purpose) of the Company, to mortgage, hypothecate, pledge and/ or charge all or any of the movable and / or immovable properties of the Company (both present and future) and /or any other assets including tangible and intangible assets or properties of the Company and / or the whole or part of any of the undertaking of the Company together with or without the power to take over the management of the business or any undertaking of the Company in case of events of defaults, in favor of Board of Directors, to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed Rs. 75 Crores (Rupees Seventy Five Crores only) at any time.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or Committee thereof be and is hereby authorized to finalize, settle and execute such documents/deeds/ writings/ papers/agreements/ undertakings as may be required and to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage/ charge/ pledge/hypothecation as mentioned aforesaid.”

11. RATIFICATION OF COST AUDITOR’S REMUNERATION:

TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION, 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 Companies (Audit and Auditors) Rules, 2014 made there under, as amended from time to time, the Company hereby ratifies the remuneration of Rs. 25,000/- (Rupees Twenty Five Thousand Only) payable to Avnesh Jain & Co., Cost Accountants is appointed as Cost Auditor of the Company to conduct Cost Audits as may be ordered by the Central Government under the Act and the Rules there under, for the year ending 31st March, 2021.”

By order of the Board of Directors
FOR RATHI BARS LIMITED

Sd/-
Kamlesh Kumar Rathi
(Managing Director)
DIN: 00112321
Address: 6, Sadhna Enclave,
New Delhi-110017

Date: 04.09.2020
Place: New Delhi

NOTES:

- 1 As you are aware, in view of the situation arising due to COVID-19 global pandemic, the Ministry of Corporate Affairs (“MCA”) vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) has permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Since, the AGM is being conducted through VC/OAVM, there is no provision for appointment of proxies. Accordingly, appointment of proxies by the members will not be available
3. Corporate members intending to attend the AGM through authorized representatives are requested to send a scanned copy of duly certified copy of the Board or governing body resolution authorizing the representatives to attend and vote at the Annual General Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to PWR Associates, Company Secretaries (pwrasso@gmail.com) with a copy marked to helpdesk.evoting@cdslindia.com.

4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 is annexed.
6. Additional information, pursuant to Regulation 36 (3), of the Listing Regulations, in respect of directors re-appointing at the Annual General Meeting and Explanatory Statement as required under Section 102 of the Companies Act, 2013, in respect of special business under item numbers 02-05 of the Notice is appended hereto and forms part of this Notice.
7. a) The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2020 to 29th September, 2020 (both days inclusive).
b) The remote e-voting period commences on Saturday, September 26, 2020 (09:00 am) and ends on Sunday, September 28, 2020 (05:00 pm). No e-voting shall be allowed beyond the said date and time. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 22, 2020, may cast their vote by remote e-voting
8. Members holding shares in physical form are requested to intimate immediately to the Registrar & Share Transfer Agent of the Company, **MAS Services Limited**, T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Ph:- 011-26387281/82/83 Fax:- 011-26387384 quoting registered Folio No. (a) details of their bank account/change in bank account, if any, and (b) change in their address, if any, with pin code number.
9. In case shares are in demat form members are requested to update their bank detail with their depository participant.

The Equity Share capital of the Company is held by 7112 Shareholders, out of which 7105 Shareholders holding 99.35 % of the capital are in dematerialised form and the balance 7 shareholders holding 0.65% of the capital are in physical form. The shareholders having shares in physical form are requested to dematerialize the shares at the earliest.

10. In terms of Section 72 of the Companies Act, 2013 and the applicable provisions, the shareholders of the Company may nominate a person in whose name the shares held by him/them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit the requisite nomination form.
11. Any member requiring further information on the Accounts at the meeting is requested to send the queries in writing to CFO, at least one week before the meeting.
12. In respect of the matters pertaining to nomination, power of attorney, change in name/address etc., the members are requested to approach the Company's Registrars and Share Transfer Agent, in respect of shares held in physical form and the respective Depository Participants, in case of shares held in electronic form. In all correspondence with the Company/Registrar and Share Transfer Agent, members are requested to quote their folio numbers or DP ID and Client ID for physical or electronic holdings respectively.

13. The documents referred to in the proposed resolutions are available for inspection at its Registered Office of the Company during normal business hours on any working day except Saturdays, upto the date of meeting.
14. 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 account. Members holding shares in physical form can submit their PAN to the Company/Registrar.
15. Members who hold shares in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar, for consolidation into a single folio.
16. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, the Annual Report including audited financial statements for the financial year 2020 including notice of 27th AGM is being sent only through electronic mode to those Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
In case you have not registered your email id with depository or RTA you may registered your email id in following manner.

| | |
|-------------------------|---|
| Physical Holding | Send a signed request to Registrar and Transfer Agents of the Company, MAS Services Limited at info@masserv.com providing Folio number, Name of the shareholder, scanned copy of the share certificate (Front and Back), PAN(Self attested scanned copy of PAN Card), AADHAR (Self attested scanned copy of Aadhar Card) for registering email address. |
| Demat Holding | Please contact your Depository Participant (DP) and register your email address as per the process advised by DP. |

17. Additional information, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment is annexed to the notice.
18. **Voting through electronic means:** In compliance with the provisions of Regulation 44 of the Listing Regulations and Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 Company is offering e-voting facility to its members. Detailed procedure is given in the enclosed letter.

INSTRUCTION FOR REMOTE EVOTING, EVOTING AND JOINING OF AGM THROUGH VIDEO CONFERENCING

- (i) The shareholders need to visit the e-voting website <http://www.evotingindia.com/>.
- (ii) Click on "Shareholders" module.
- (iii) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

| For Shareholders holding shares in Demat Form and Physical Form | |
|--|--|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence/PAN number which is mentioned in email. |

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting on resolutions of any other Company for which they are eligible to vote, provided that the Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For shareholders holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (x) Click on the EVEN for the Rathi Bars Limited.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same, the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution on which you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHO WISH TO OBTAIN LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE BUT WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES:

1. For Physical shareholders- Kindly send an email with a scanned request letter duly signed by 1st shareholder, scan copy of front and back of one share certificate, copy of PAN card and Aadhar card to info@masserv.com
2. For Demat shareholders - Kindly update your email id with your depository participant and send copy of client master to info@masserv.com

INSTRUCTIONS FOR JOINING MEETING THROUGH VC:

- (i) To join the meeting, the shareholders should log on to the e-voting website <http://www.evotingindia.com/> and login as explained above. After logging-in, kindly click on 'live streaming' tab and you will be redirected to 'cisco' website.

In the "Name" field - Put your USERID as informed in e-email..

In the "last name" field - Enter your Name

In the "Email ID" field - Put your email ID

In the "Event password" field - Put the password as "cdsl@1234"

Click join now button.

Now screen will be displayed for downloading CISCO driver for VC. Please click on run temporary file download. Downloading of driver will be start open driver and click on run.

Event will start and you will be in the AGM through Video conferencing.

You can join meeting through laptop, tablet, and desktop. In case you want to join through mobile, you need to download the webex meet app from the respective play store.

PRE-REQUISITE FOR JOINING OF MEETING THROUGH DESKTOP OR LAPTOP:

1. System requirement:
 - ✓ Windows 7, 8 or 10
 - ✓ I3
 - ✓ Microphone, speaker
 - ✓ Internet speed minimum 700 kbps
 - ✓ Date and time of computer should be current date and time

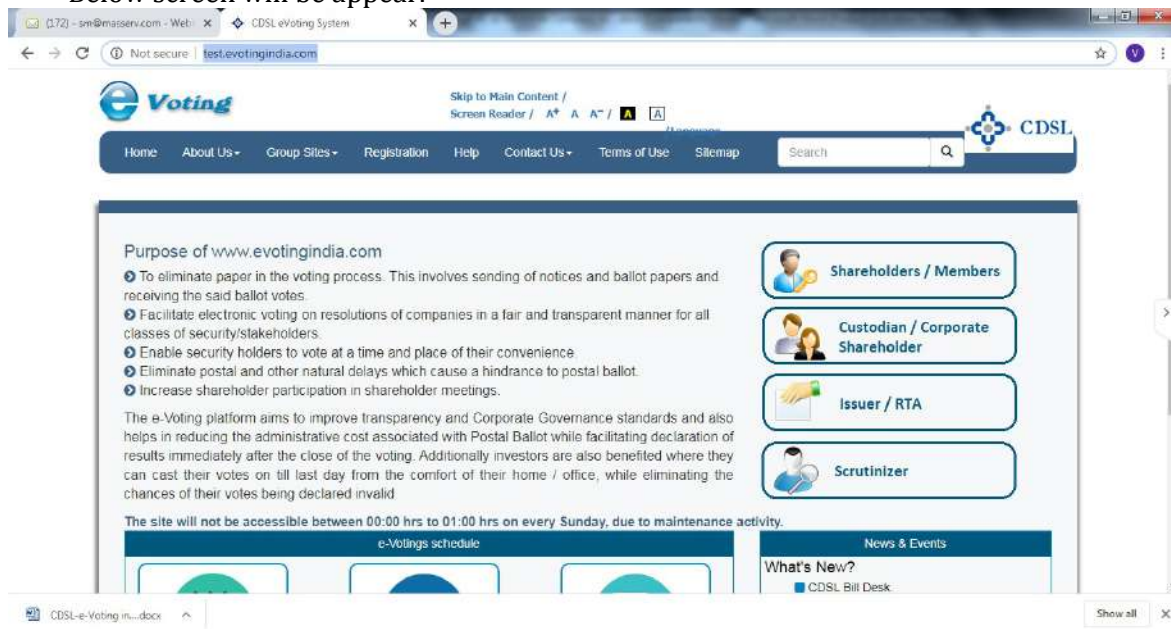
PRE-REQUISITE FOR JOINING OF MEETING THROUGH MOBILE:

- ✓ Please download webex application from play store

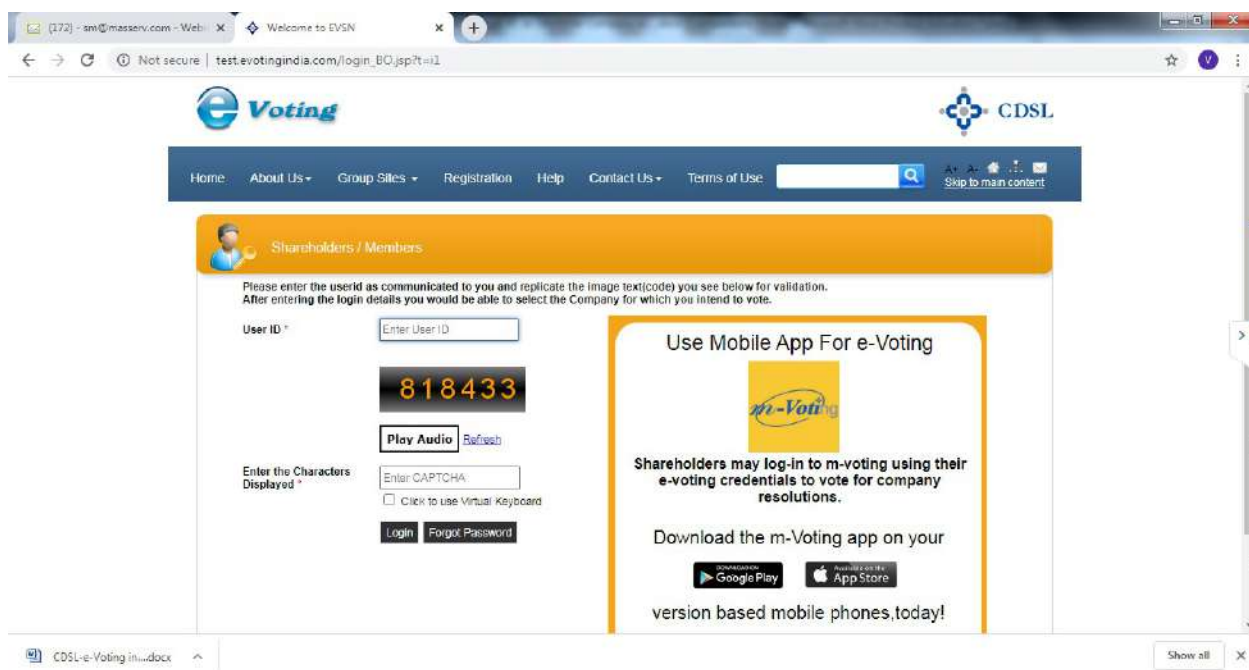
NOTE: IT IS ADVISABLE TO LOGIN BEFOREHAND AT E-VOTING SYSTEM AS EXPLAINED IN E-VOTING INSTRUCTIONS ABOVE, TO BE FAMILIAR WITH THE PROCEDURE, SO THAT YOU DO NOT FACE ANY TROUBLE WHILE LOGGING-INDURING THE AGM.

PROCEDURE FOR E-VOTING AND JOINING OF MEETING THROUGH VC (EXPLAINED USING SCREENSHOTS):

- i. The shareholders should log on to the e-voting website <http://www.evotingindia.com/>. Below screen will be appear.



- ii. Press Shareholders/Members tab, after which the below screen will be appear.



- iii. Enter user id as mentioned in your invite email, or read point number (iii) as given above.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**ITEM NO 3: APPOINTMENT OF ADDITIONAL DIRECTOR, MR. CHANDER MOHAN AS DIRECTOR**

Mr. Chander Mohan was appointed as an Additional Director of the Company with effect from 30th January, 2020, in accordance with the provisions of Section 161 and 149 of the Companies Act, 2013, read with the Articles of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013, the above director holds office only up to the date of the ensuing Annual General Meeting of the Company.

The Board is of the view that the appointment of Mr. Chander Mohan on the Company's Board as Director is desirable and would be beneficial to the Company and hence it recommends the said Resolution No. 3 for approval by the members of the Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Mr. Chander Mohan himself, is in any way concerned or interested, in the said resolution. The Board recommends the said resolution to be passed as an ordinary resolution

The resolution at Item No. 3 is recommended for approval by the Members.

ITEM NO 4: RE-APPOINTMENT OF MANAGING DIRECTOR MR KAMLESH K RATHI

Mr. Kamlesh Kumar Rathi (DIN: 00112321) is the Director of the Company since incorporation and whose term expires as Managing Director on 30.09.2020. It is required to re-appoint him as Managing Director of the Company considering his association with the Company since incorporation as founder promoter/director and experience in this field. He is above the age of 70 years and therefore his appointment as Managing Director pursuant to Section 196, 197, 203, Rules and Schedule V (Part I, clause c) requires the approval of shareholders through Special Resolution.

The duties of the Managing Director shall be discharged subject to the superintendence, control and direction of the Board and he shall perform on behalf of the Company in the ordinary course of business all such acts, deeds, and things, which in the ordinary course of business, he may consider necessary or proper or in the interest of the Company.

Terms & Conditions

1. **Designation:** Managing Director
2. **Term:** 5 years with effect from 01.10.2020
3. **Salary:** the Board has the liberty to fix a remuneration and other perquisites pursuant to the provisions of section 196, 197, 203 and Schedule V (Part) of the Companies Act, 2013 and the Rules made there under and the Articles of Association of the Company but the overall remuneration shall be within the limits of the Schedule V of the Companies Act, 2013.

The resolution at Item No. 4 is recommended for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives, other than Mr. Kamlesh Kumar Rathi, Mr Anurag Rathi and Mr Uddhav Rathi, in their personal capacity are concerned or interested, financially or otherwise, in this resolution. The Board recommends this resolution for your Approval.

ITEM NO 5: RE-APPOINTMENT OF WHOLE TIME DIRECTOR MR ANURAG RATHI

Mr. Anurag Rathi (DIN: 00063345) is the Director of the Company since 2015 and designated as CFO of the Company pursuant to the provisions of the Companies Act, 2013. Since his appointment, he has been heading the finance division of the Company. The duties of the Whole Time Director shall be discharged subject to the superintendence, control and direction of the Board and he shall perform on behalf of the Company in the ordinary course of business all such acts, deeds, and things, which in the ordinary course of business, he may consider necessary or proper or in the interest of the Company.

Terms & Conditions

1. **Designation:** Whole Time Director- Finance
2. **Term:** 5 years with effect from 01.10.2020
3. **Salary:** the Board has the liberty to fix a remuneration and other perquisites pursuant to the provisions of section 196, 197, 203 and Schedule V (Part II) of the Companies Act, 2013 and the Rules made there under and the Articles of Association of the Company but the overall remuneration shall be within the limits of the Schedule V of the Companies Act, 2013.

The resolution at Item No. 5 is recommended for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives, other than Mr. Kamlesh Kumar Rathi, Mr Anurag Rathi and Mr Uddhav Rathi, in their personal capacity are concerned or interested, financially or otherwise, in this resolution. The Board recommends this resolution for your Approval.

ITEM NO 6: RELATED PARTY TRANSACTION WITH RATHI SPECIAL STEELS LIMITED

The Company is carrying business transactions with Rathi Special Steels Limited (a related party) for the sale/purchase of steel products. Pursuant to Section 188 (1) of the Companies Act, 2013, the Company can enter into business transactions at arm's length with related party only with the approval of shareholders accorded by way of a special resolution and therefore, the Board hereby proposes and recommends the business transactions to the extent of Rs. 100 Crore (Rupees One Hundred Crore) per annum, to the shareholders for their approval in the forthcoming AGM.

The resolution at Item No. 6 is recommended for approval by the Members.

Management of both the companies is common and managed by family members except the independent directors and they are concerned or interested in the Resolution only to the extent of their shareholding.

ITEM NO 7: RELATED PARTY TRANSACTION WITH BHIWADI IRON PRIVATE LIMITED

The Company is carrying business transactions with Bhiwadi Iron Private Limited (a related party) for the sale/purchase of steel products. Pursuant to Section 188 (1) of the Companies Act, 2013, the Company can enter into business transactions with related party only with the approval of shareholders accorded by way of a special resolution and therefore, the Board hereby proposes and recommends the business transaction to the extent of Rs. 10 Crore (Rupees Ten Crore) per annum, to the shareholders for their approval in the forthcoming AGM.

The resolution at Item No. 7 is recommended for approval by the Members.

Management of both the companies is common and managed by family members except the independent directors and they are concerned or interested in the Resolution only to the extent of their shareholding.

ITEM NO 8: RELATED PARTY TRANSACTION WITH BALAJI STEEL ENTERPRISES

The Company is carrying business transactions with Balaji Steel Enterprises (a related party) for the sale/purchase of steel products. Pursuant to Section 188 (1) of the Companies Act, 2013, the Company can enter into business transactions at arm's length with related party only with the approval of shareholders accorded by way of a special resolution and therefore, the Board hereby proposes and recommends the business transactions to the extent of Rs. 50 Crore (Rupees Fifty Crore) per annum, to the shareholders for their approval in the forthcoming AGM.

The resolution at Item No. 8 is recommended for approval by the Members.

Managing Director, Mr. Kamlesh Kumar Rathi is the proprietor of the firm and he is concerned or interested in the Resolution only to the extent of their shareholding.

ITEM NO 9: RELATED PARTY TRANSACTION KHUSHKERA STEELS PRIVATE LIMITED

The Company is carrying business transactions with Khushkera Private Limited (a related party) for the sale/purchase of steel products. Pursuant to Section 188 (1) of the Companies Act, 2013, the Company can enter into business transactions with related party only with the approval of shareholders accorded by way of a special resolution and therefore, the Board hereby proposes and recommends the business transaction to the extent of Rs. 10 Crore (Rupees Ten Crore) per annum, to the shareholders for their approval in the forthcoming AGM.

The resolution at Item No. 9 is recommended for approval by the Members.

Management of both the companies is common and managed by family members except the independent directors and they are concerned or interested in the Resolution only to the extent of their shareholding.

ITEM NO 10: AUTHORIZATION UNDER SECTION 180(1)(a) OF THE COMPANIES ACT, 2013

The members of the Company had vide earlier resolution authorized the Board of Directors to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favor of the lenders/ trustees for the holders of debentures, to secure the repayment of monies borrowed by the Company to the tune of Rs. 75.00 crore. Now the fund requirements has increased and board of directors are in the process of increase of financing facilities from their lenders.

Under the provisions of Section 180(1)(a) of the Companies Act, 2013 the above powers can be exercised by the Board only with the consent of the shareholders obtained by way of a Special Resolution. Accordingly, the Board of Directors at its meeting held 04th September, 2020, proposed to obtain fresh approval of the shareholders by way of a Special Resolution under Section 180(1)(a) of the Companies Act, 2013, to create charge/ mortgage/ hypothecation /pledge on the Company's assets including tangible and intangible, both present and future, in favor of the Banks, Financial Institutions, any other Lender(s), Agent(s) and Trustee(s), for securing the borrowing availed or to be availed by the Company or subsidiary(ies) of Company, by way of loans or any other securities) or otherwise in Indian rupees, from time to time up to the limits approved or as may be approved by the shareholders.

The resolution at Item No. 10 is recommended for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is in any way, concerned or interested, financial or otherwise, in this resolution except to the extent of their shareholding in the Company, if any.

ITEM NO 11: RATIFICATION OF COST AUDITOR'S REMUNERATION

The Company is directed under Section 148 of the Act to have the audit of its cost records conducted by a Cost Accountant in practice. The Board of your Company has, on the recommendation of the Audit Committee, approved the appointment of M/s Avnesh Jain & Co., as the Cost Auditors of the Company to conduct Cost Audits as may be ordered by the Central Government under the Act and the Rules there under for the year ending 31st March, 2021, at a remuneration of Rs. 25,000/- (Rupees Twenty Five Thousand).

M/s Avnesh Jain & Co. has furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. M/s Avnesh Jain & Co. has vast experience in the field of Cost Audit and has conducted the audit of cost records of the Company for the past several years under the provisions of the erstwhile Companies Act, 1956/2013.

The Board has approved the remuneration Rs. 25,000/- (Rupees Twenty Five Thousand) to M/s Avnesh Jain & Co. as the Cost Auditors and the ratification of the shareholders is sought for the same by Ordinary Resolution.

The resolution at Item No. 11 is recommended for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is Concerned or interested in the Resolution.

By order of the Board of Directors
FOR RATHI BARS LIMITED

Sd/-
Kamlesh Kumar Rathi
(Managing Director)

DIN: 00112321

Address: 6, Sadhna Enclave,
New Delhi-110017

Date: 04.09.2020

Place: New Delhi

ANNEXURE-A

Details of Directors seeking re-appointment /appointment at 27th Annual General Meeting as required under the Companies Act, 2013 and Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:.

| PARTICULARS | Mr. Kamlesh Kumar Rathi |
|---|---|
| Date of Birth | 15.05.1940 |
| Date of Appointment | 10.08.1993 |
| Qualifications | Graduate |
| Expertise in specific functional areas | Having rich experience in Iron & Steel Industry |
| Terms and conditions of Re-appointment | Director liable to retire by rotation Re-appointment as Managing Director Remuneration as |
| Directorships held in other public companies (excluding foreign companies and Section 8 companies) | Rathi Special Steels Limited PHD Chambers of Commerce and Industry Gordhan Das Rathi Steels Limited |
| Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee). | NIL |
| Number of meetings of the Board attended during the year | Ten |
| Relationship with other directors and key managerial personnel | Mr. Anurag Rathi – Son Mr. Uddhav Rathi – Grandson |
| Shareholding in the Company as on 31st March, 2020 | 8, 18,387 equity shares (5.01%) |

| PARTICULARS | Mr. Chander Mohan |
|--|--|
| Date of Birth | 21.02.1977 |
| Date of Appointment | 30.01.2020 |
| Qualifications | Graduate |
| Expertise in specific functional areas | Having experience in business segment |
| Terms and conditions of Re-appointment | As mentioned in the Notice and explanatory statement |
| Directorships held in other public companies (excluding foreign companies and Section 8 companies) | NIL |

| | |
|---|-----|
| Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee). | NIL |
| Number of meetings of the Board attended during the year | NIL |
| Relationship with other directors and key managerial personnel | Nil |
| Shareholding in the Company as on 31st March, 2020 | Nil |

| | |
|---|--|
| PARTICULARS | Mr. Anurag Rathi |
| Date of Birth | 26.11.1971 |
| Date of Appointment | 01.10.2015 |
| Qualifications | Graduate |
| Expertise in specific functional areas | Having rich experience in Iron & Steel Industry |
| Terms and conditions of Re-appointment | Re-appointment as Whole Time Director |
| Directorships held in other public companies (excluding foreign companies and Section 8 companies) | Rathi Special Steels Limited Gordhan Das Rathi Steels Limited |
| Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee). | NIL |
| Number of meetings of the Board attended during the year | Ten |
| Relationship with other directors and key managerial personnel | Mr. Kamlesh Kumar Rathi – Father Mr. Uddhav Rathi – Nephew |
| Shareholding in the Company as on 31st March, 2020 | 12,16,751 equity shares (7.45%) |

BOARD'S REPORT

**To The Members of
RATHI BARS LIMITED,**

The Board of Directors present the **Twenty Seventh** Report on business and operations along with financial statements of the Company for the financial year ended March 31, 2020.

COMPANY PERFORMANCE:

The Company's financial performance for the year ended 31st March, 2020 is summarized below:

| Financial Year Ended | (Rs. In Lakhs) | |
|--|-----------------------|------------------|
| | 2019-2020 | 2018-2019 |
| Total Income from Operations | 38,300.50 | 40,953.24 |
| Profit Before Interest, Depreciation and Tax | 1201.60 | 878.14 |
| Less: Interest | 352.27 | 153.82 |
| Less: Depreciation | 572.34 | 451.82 |
| Profit Before Tax | 287.37 | 273.30 |
| Less: Provision for Tax | 15.27 | 85.90 |
| Profit after Tax | 272.09 | 187.38 |
| Balance of Profit brought forward | 4,565.48 | 4,336.21 |
| Balance available for appropriation | 4,817.82 | 4,565.48 |

RESULTS OF OPERATIONS:

Global economic activity faced several challenges in the year 2019-20, resulting in a slowdown which was worse than the global financial crisis. Global crude steel production grew to 1,869.9 MnT in the year 2019 from 1,808.4 MnT in the year 2018, largely driven by growth in Asia and the Middle East. However, steel prices remained under pressure due to continued and extensive destocking across global steel markets, coupled with a slowdown in overall consumption. The outbreak of Corona virus (COVID-19) pandemic globally and in India impacted the Company's performance in the fourth quarter of FY 2019-20.

The Company has made a profit of Rs. 2, 72, 09,969/- (After Tax) during the year in comparison of Rs. 187, 38, 649/- in previous year and is hopeful of maintaining and improving its positions in the future.

IMPACT OF COVID-19

The country witnessed lockdown being implemented in India in the beginning from 24th March 2020. This impacted the business operations of the Company significantly. Since 26th April, 2020, the Company started resuming operations in its manufacturing plants and warehouses after taking requisite permissions from Government authorities and the safety norms as prescribed by WHO and the Government.

Detailed information on the same has been included under the Management Discussion & Analysis report forming part of this Annual Report.

DIVIDEND:

Your Directors does not recommend any dividend at this stage as the Company requires ploughing back of the profits to the working capital of the Company and expects better results in the coming years.

SHARE CAPITAL:

The Authorized Capital of the Company is Rs. 18,00,00,000/- (Rupees Eighteen Crore Only) and the Paid up Capital of the Company is Rs. 16,33,03,570/- (Rupees Sixteen Crore Thirty Three Lakh Three Thousand Five Hundred Seventy only). There is no change in paid up capital of the Company during the year under review.

MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR:

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report.

CHANGE IN THE NATURE OF BUSINESS:

There is no change in the nature of the business of the Company during the financial year 2019-2020.

TRANSFER TO RESERVES:

The Board of Directors has decided to retain the entire amount of profit in the profit and loss account. Accordingly, the Company has not transferred any amount to the 'Reserves' for the year ended March 31, 2020.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

There is no such amount required to be transferred to the Investor Education and Protection Fund in accordance with the provisions of Section 125 of the Companies Act, 2013 and Rules made there under.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

- a) The Present Board Constitutes Mr. Kamlesh Kumar Rathi (Managing Director), Mr. Anurag Rathi (Whole-Time Director cum CFO), Mr. Uddhav Rathi (Non-Executive Director), Mr. Chander Mohan (Non-Executive Director) Ms. Shikha Chakraborty, Ashok Kumar Garg, Binod Kumar Maheshwari and Ms. Sonali V Chitalkar (Independent Directors) of the Company.
- b) Pursuant to Section 149 of the Companies Act, 2013, Mr. Ashok Kumar Garg, Mr. Binod Kumar Maheshwari, Ms. Sonali V Chitalkar and Ms. Shikha Chakraborty are the Independent Directors of the Company.
- c) Mr. Manoj Kumar resigned from the position of Director w.e.f 27th July, 2019.
- d) Mr. Rajesh Kumar Sharma who was appointed as an Additional Director w.e.f 27th July, 2019 was not regularized in the Annual General Meeting held on 30th September, 2019.
- e) Ms. Sonali Arora resigned from the position of Company Secretary & Compliance officer w.e.f 25th June, 2019 and Mr. Amit Kumar Mangla was appointed as Company Secretary & Compliance officer w.e.f 27th July, 2019.
- f) Mr. Chander Mohan was appointed as Additional Director w.e.f 30th January, 2020.

- g) In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of Company's Articles of Association, Mr. Kamlesh Kumar Rathi, Managing Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible for re-appointment offers himself for re-appointment as Director. He has confirmed that he is not disqualified under Section 164 of the Companies Act, 2013 and is eligible to be re-appointed as Director of the Company.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company has no Subsidiary, Joint Venture or Associate Company.

BOARD EVALUATION:

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board's composition and structure, effectiveness of Board's processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of the criteria such as the composition of committees, effectiveness of Committee Meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE:

Mr. Kamlesh Kumar Rathi, Mr. Anurag Rathi, and Mr. Uddhav Rathi are related to each other in accordance with Section 2 (77) of the Companies Act, 2013 and Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014 but Mr. Chander Mohan (Non-Executive Director) and Mr. Ashok Kumar Garg, Mr. Binod Kumar Maheshwari, Ms. Shikha Charkraborty and Ms. Sonali V Chitalkar are the Independent Directors of the Company, hence they are not related to the other Directors of the Company.

NOMINATION & REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination & Remuneration Committee (NRC) framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy has been disclosed in the Corporate Governance Report.

REMUNERATION OF DIRECTORS/KEY MANAGERIAL PERSONNEL (KMP)/ SENIOR MANAGEMENT:

The remuneration paid to the Directors, Key Managerial Personnel and Senior Management is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Act and Regulation 19 of the Listing Regulations.

The information required under Section 197 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of the Company is as follows:

| S. No. | Name | Designation | Remuneration paid FY 2019-2020 (in Lakhs) | Ratio/Times per Median of employee remuneration | Percentage Increase/ Decrease in the Remuneration |
|--------|--|-------------------|---|---|---|
| 1. | Kamlesh Kumar Rathi | Managing Director | NIL | NIL | NIL |
| 2. | Anurag Rathi | WTD/CFO | NIL | NIL | NIL |
| 3. | Sonali Arora* (Upto 25.06.2019) | Company Secretary | 0.565 | NIL | NIL |
| 4. | Amit Kumar Mangla** (w.e.f 27.07.2019) | Company Secretary | 2.758 | NIL | NIL |

Notes:

1. The aforesaid details are calculated on the basis of remuneration for the financial year 2019-20 and include sitting fees paid to Directors during the financial year.
2. The remuneration to Directors is within the overall limits approved by the shareholders of the Company
3. *Percentage increase/decrease in remuneration is not reported as she was appointed with effect from 24th April, 2019
4. ** The remuneration paid to Mr. Amit Kumar Mangla is for part of the year. Accordingly, the percentage increase/ decrease in their remuneration and ratio of remuneration to median remuneration is not reported.

NUMBER OF BOARD MEETINGS HELD DURING THE YEAR UNDER REVIEW:

During the Financial Year 2019-2020, the Company held **Ten** Board meetings of the Board of Directors as per Section 173 of Companies Act, 2013. The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings.

For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this Report.

OPERATIONAL REVIEW:

During the year, your Company had produced 101435.985 MT Steel Bars (Including trading purchase 32939.740 MT) and 18882.475 MT Ingots/Billets (Including trading purchase 4147.995 MT) as against production of 94643.430 MT Steel Bars (including trading purchase of 15485.21 MT) and 58131.270 MT Ingots/Billets (Including trading purchase 1886.470 MT) during the corresponding period of last year.

DECLARATION BY INDEPENDENT DIRECTORS:

Mr. Binod Kumar Maheshwari, Mr. Ashok Kumar Garg, Ms. Shikha Charkraborty, and Ms. Sonali V Chitalkar are the Independent Directors of the Company. The Company has received necessary declaration from each Independent Director under Section 149 (7) of the Companies Act, 2013, that they meet the criteria

of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CORPORATE SOCIAL RESPONSIBILITY:

The Companies Act, 2013 introduced the concept of CSR pursuant to Section 135 while the eligibility criteria doesn't cover your Company however, the CSR is an integral part of the Company's activities.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in order to ensure that the activities of the Director(s) and employee(s) are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior, the Company has adopted a Vigil Mechanism policy. This policy has been prepared for directors and employees to report their genuine concerns in the interest of the Company and its stakeholders.

AUDIT COMMITTEE AND ITS COMPOSITION:

As per Section 177(2) and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the composition of Audit Committee as on 31st March, 2020 is as follows:

| NAME | DESIGNATION | CATEGORY |
|----------------------------|--------------------|-------------------------|
| Mr. Ashok Kumar Garg | Chairman | Independent Director |
| Mr. Binod Kumar Maheshwari | Member | Independent Director |
| Mr. Anurag Rathi | Member | Whole-Time Director/CFO |

AUDITORS:

• **STATUTORY AUDITORS:**

Members of the Company at the 25th AGM of the Company held on 29th September, 2018 approved the appointment of M/s Ravindra Jyoti Agarwal & Co., Chartered Accountants, Delhi (FRN.:003569C), as Statutory Auditors of the Company for a period of five years commencing from the conclusion of 25th AGM held on September, 29, 2018 until the conclusion of 30th AGM of the Company to be held in the year 2023.

• **AUDITORS' REPORT:**

The Auditors' Report for financial year 2019-2020 does not contain any qualification, reservation or adverse remark and therefore do not call for any further comments. The Auditors' Report is enclosed with the financial statements in this Annual Report.

• **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 appointed M/s Gouransh Chawla & Co., Company Secretaries (CP-16972, ACS-45390), Company Secretaries, Noida, to undertake the Secretarial Audit of the Company.

- **SECRETARIAL AUDITORS' REPORT:**

The Secretarial Auditors' Report for financial year 2019-2020 is annexed herewith as **Annexure A** which is self-explanatory and doesn't require comments of the Directors on the same.

- **INTERNAL AUDITOR:**

Mr. Jagdish Chugh, Accounts Manager, performs the duties of Internal Auditor of the Company and his Report is reviewed by The Audit Committee from time to time.

- **COST AUDITORS:**

Pursuant to Section 148(2) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company is required to get its cost accounting records audited by a Cost Auditor. The Company has appointed M/s Avnesh Jain & Co. (Cost Accountants) to undertake the Cost Audit of the Company.

EXTRACT OF ANNUAL RETURN:

In compliance with Section 92(3), Section 134 (3) (A) and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 the extract of the Annual Return is placed on the website of the company. The web address is rathisteel.com and web link is http://www.rathisteels.com/wp-content/uploads/2019/09/RBL_MGT-9_2019-20.pdf.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

During the year under review, the Company has not advanced any loans or given guarantees or made investments. However, the details of investments already made by the Company are as follow:

| S.No. | Name of Party | Particulars of Investments | Nature | Purpose for which it shall be used | Amount (in Rs) |
|-------|----------------------------|----------------------------|------------|------------------------------------|----------------|
| 1. | Hindustan Motors Ltd. | Purchase of Shares | Investment | Revenue generation | 6,67,110.41 |
| 2. | Jai Prakash Associates Ltd | Purchase of Shares | Investment | Revenue generation | 12,74,836.89 |
| 3. | IDBI Limited | Purchase of Shares | Investment | Revenue generation | 1,75,066.21 |
| 4. | Reliance Industries Ltd | Purchase of Shares | Investment | Revenue generation | 19,62,633.95 |
| 5. | Reliance Power Ltd | Purchase of Shares | Investment | Revenue generation | 1,65,082.80 |
| 6. | Mohan Finance Limited | Purchase of Shares | Investment | Revenue generation | 16,779.00 |
| 7. | Ushita Trading Limited | Purchase of Shares | Investment | Revenue generation | 1,78,965.00 |
| 8. | Nagesh Investment Limited | Purchase of Shares | Investment | Revenue generation | 1,12,408.00 |
| 9. | Limitex Investment Limited | Purchase of Shares | Investment | Revenue generation | 43,665.00 |
| 10. | Ecowave Infotech | Purchase of | Investment | Revenue generation | 13,974.00 |

| | Limited | Shares | | | |
|--------------|------------------------------------|------------------------|------------|--------------------|---------------------|
| 11. | Twenty First Century (I) Ltd | Purchase of Shares | Investment | Revenue generation | 39,474.00 |
| 12. | Quest Finance Services Limited | Purchase of Shares | Investment | Revenue generation | 12,657.00 |
| 13. | Jindal Steel & Power Limited | Purchase of Shares | Investment | Revenue generation | 6,200.00 |
| 14. | National Saving Certificate (NSCs) | Purchase of securities | Investment | Revenue generation | 6405.00 |
| TOTAL | | | | | 46,74,897.26 |

INDUSTRIAL RELATIONS:

During the year, your Company maintained harmonious and cordial industrial relations.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the year under review, there have been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Corporation in future.

STATUS OF LISTING:

The Company's shares are listed at Bombay Stock Exchange Ltd. The Company has paid the listing fees to the Stock Exchange, Mumbai for the year 2019-2020.

PUBLIC DEPOSITS:

Your Company has not invited or accepted any deposits from the Public during the year and there were no unpaid and unclaimed deposits as on March 31, 2020. Hence, no information is required to be appended to this Report in terms of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank of India Directions, 1998).

PARTICULARS OF EMPLOYEES:

None of the Employee was drawing remuneration in excess of the limits laid by the Companies Act, 2013 as specified under Rule 5(2) and Rule 5 (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

The manufacturing unit of the Company has continued their efforts to reduce their energy consumption year on year. Some of the key measures taken by the Company are as follows:

Information as required under Section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, our Director furnish following information as required.

A) CONSERVATION OF ENERGY:

The Company is using best technology available for conservation of energy and had taken adequate steps to improve the conservation of energy and this is a continuous process and forms an integral part of responsibilities of departmental heads.

Some of the energy conservation steps taken are as follow:

- i) Optimum Capacity utilization.
- ii) Optimization of pump and motor operations through standard operating practices.
- iii) Strict quality checks on inputs thus saving electricity consumption.
- iv) Minimization of handling losses.
- v) Total Energy Consumption and Energy Consumption per unit of production is optimum as per industry standards.

During the year under review, the Company has consumed 4112.57 MT steam coal, 1, 82, 93, 257 units of Electricity and 17,400 litre of Diesel.

B) TECHNOLOGY ABSORPTION:

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

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

During the year under review:

| | |
|--------------------------|--|
| Foreign Exchange Earned: | NIL |
| Foreign Exchange Outgo: | INR 12, 80,365 /-(Previous Year INR 29, 05, 247/-) |

CORPORATE GOVERNANCE:

A report on Corporate Governance, a Certificate from the Statutory Auditors of the Company M/s. Ravindra Jyoti Agarwal & Co., Chartered Accountants, confirming the compliance with the conditions of Corporate Governance, Management Discussion and Analysis Report and Managing Director's Report are made part of the Annual Report.

RELATED PARTY TRANSACTIONS:

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties are exceeding the limits approved by the shareholders however, transactions entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as **Annexure-B**.

DIRECTOR'S 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 statement in terms of Section 134 (5) of the Companies Act, 2013:

- i) in the preparation of the annual accounts for the Financial Year 2019-2020, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the financial year 31st March, 2020 and of the Profit & Loss of the Company for that period;
- iii) the Directors had taken proper and sufficient care 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;
- iv) the Directors had prepared the annual accounts on a going concern basis;
- v) the Directors have laid down Internal Financial Controls to be followed in the Company and that such Internal Financial Controls are adequate and were operating effectively;
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BUSINESS RISK MANAGEMENT:

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Policy 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 etc.

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

INTERNAL FINANCIAL CONTROL:

The Board 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 accounts 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.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has only one female employee in the Company and therefore, no separate committee has been constituted as required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. However, the Board of Directors is very vigilant on the same issue and any complaint is strictly handled by the Board. The Company did not receive any complaint during the year 2019-2020.

ACKNOWLEDGEMENTS:

The Board of Directors place on record sincere gratitude and appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year. The Board conveys its appreciation for its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support.

By order of the Board of Directors
FOR RATHI BARS LIMITED

Date: 04.09.2020
Place: New Delhi

Sd/-
Kamlesh Kumar Rathi
(Managing Director)
DIN:00112321

Sd/-
Anurag Rathi
(WTD and CFO)
DIN:00063345

FORM No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2020
[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 Bars Limited
A-24/7, Mohan Cooperative Industrial Estate
Mathura Road, New Delhi-110044

CIN: L74899DL1993PLC054781
Authorized Capital: Rs. 18.00 Crore

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Rathi Bars Limited. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Rathi Bars Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information/representations 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, 2020 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 by Rathi Bars Limited for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 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 Borrowings;
- (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; (Not applicable to the Company during the audit period);
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;- (Not applicable to the Company during the audit period);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period);

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period);
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)

(vi) The other laws as applicable specifically on the Company:

- 1. Air (Prevention and Control of Pollution) Act, 1981 and the rules and standards made there under.
- 2. Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975
- 3. Environment Protection Act, 1986 and the rules, notifications issued there under.
- 4. Factories Act, 1948 and allied State Laws.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (effective w.e.f. 01.07.2015);
- (i) The Listing Agreements entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- 1. That the Company has filed all the requisite forms, returns, documents and resolutions with the Ministry of Corporate Affairs, New Delhi prescribed under the Act and rules made there under.
- 2. That the Board has duly met 10 (Ten) times i.e. on 24th April, 2019, 30th May 2019, 27th July, 2019, 14th August, 2019, 05th September, 2019, 14th November, 2019, 14th January, 2020, 30th January, 2020, 13th February 2020 and 24th February, 2020 during the year. Audit Committee also met 5 (five) times on 30th May, 2019, 14th August, 2019, 05th September, 2019, 14th November, 2019 and 13th February, 2020; Nomination and Remuneration Committee duly met 3 (three) times on 27th July, 2019, 05th September, 2019 and 30th January, 2020; Stakeholders Relationship Committee duly met once on 05th September, 2019 during the year.
- 3. The Company was not required to deposit the unclaimed amounts pending for more than seven years to the Investor Education and Protection Fund pursuant to Section 125 of the Companies Act, 2013.
- 4. The Company has Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee as per the provisions of the Companies Act, 2013;
- 5. Ms. Sonali Arora was appointed as Company Secretary w.e.f 24th April, 2019 and she resigned w.e.f 25th June, 2019. Mr. Amit Kumar Mangla was appointed as Company Secretary w.e.f 27th July, 2019.
- 6. Managerial Remuneration and Remuneration paid to the KMPs is well within the limits prescribed under the provisions of the Companies Act, 2013.

7. The Company has entered into business transactions with related parties in the normal course of business at arm's length but the quantum of transactions is beyond the limits approved by the shareholders.
8. That the shares of the Company are in dematerialized form with the depositories and an agreement between the Company and the Depository has been entered initially in the year 2007 and amended/revised from time to time;

We further report that:

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.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has no other specific event required to be reported except above mentioned.

For Gouransh Chawla & Co
Company Secretaries

Sd/-
Gouransh Chawla
C. P. No: 16972
UDIN: A045390B000657243

Date: 03.09.2020
Place: Noida

Note: This report is to be read with our letter of even date which is annexed as "Annexure 1 to the Report" and forms an integral part of this report.

Annexure 1 to the Secretarial Audit Report '

To,

The Members
Rathi Bars Limited
New Delhi

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Gouransh Chawla & Co
Company Secretaries

Date: 03.09.2020
Place: Noida

Sd/-
Gouransh Chawla
C. P. No: 16972
UDIN: A045390B000657243

Annexure-BFORM NO. AOC -2

(Pursuant to Clause (h) of Section 134 (3) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis:

| SL. No. | Particulars | Details |
|---------|---|---------|
| a) | Name (s) of the related party & nature of relationship | NA |
| b) | Nature of contracts/arrangements/transaction | |
| c) | Duration of the contracts/arrangements/transaction | |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if any | |
| e) | Justification for entering into such contracts or arrangements or transactions' | |
| f) | Date of approval by the Board | |
| g) | Amount paid as advances, if any | |
| h) | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | |

2. Details of contracts or arrangements or transactions at Arm's length basis:

| Sl. No. | Particulars | Details |
|---------|---|---|
| a) | Name (s) of the related party & nature of relationship | Rathi Special Steels Ltd. |
| b) | Nature of Relationship | Common Management (Group Company) |
| c) | Nature of contracts/arrangements/transaction | Purchase and sale of goods |
| c) | Duration of the contracts/arrangements/ transaction | Rs. 150.00 crore for the financial year 2019-20. |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if any | Sale and purchase of billets, ingots and/or steels bars at arm's length to the extent of Rs. 146 crore per year |
| e) | Justification for entering into such contracts or arrangements or transactions | Easy availability of goods and quality/payment assurance |
| e) | Date of approval by the Board | 05.09.2019 |
| f) | Amount paid as advances, if any | NA |

3. Details of contracts or arrangements or transactions at Arm's length basis:

| Sl. No. | Particulars | Details |
|---------|--|-----------------------------------|
| a) | Name (s) of the related party & nature of relationship | Bhiwadi Iron Private Limited. |
| b) | Nature of Relationship | Common Management (Group Company) |
| c) | Nature of contracts/arrangements/transaction | Purchase and sale of goods |

| | | |
|----|---|---|
| d) | Duration of the contracts/arrangements/ transaction | Rs. 150.00 crore for the financial year 2019-20. |
| e) | Salient terms of the contracts or arrangements or transaction including the value, if any | Sale and purchase of billets, ingots and/or steels bars at arm's length to the extent of Rs. 150 crore per year |
| f) | Justification for entering into such contracts or arrangements or transactions | Easy availability of goods and quality/ payment assurance |
| g) | Date of approval by the Board | 05.09.2019 |
| h) | Amount paid as advances, if any | NA |

4. Details of contracts or arrangements or transactions at Arm's length basis:

| Sl. No. | Particulars | Details |
|---------|---|--|
| a) | Name (s) of the related party & nature of relationship | Balaji Steel Enterprises. |
| b) | Nature of Relationship | Proprietorship firm of Managing Director |
| c) | Nature of contracts/arrangements/transaction | Purchase and sale of goods |
| d) | Duration of the contracts/arrangements/ transaction | Rs. 25.00 crore for the financial year 2019-20. |
| e) | Salient terms of the contracts or arrangements or transaction including the value, if any | Sale and purchase of billets, ingots and/or steels bars at arm's length to the extent of Rs. 25 crore per year |
| f) | Justification for entering into such contracts or arrangements or transactions | Easy availability of goods and quality/ payment assurance |
| g) | Date of approval by the Board | 05.09.2019 |
| h) | Amount paid as advances, if any | NA |

*All related party transactions are in the ordinary course of business and on arm's length basis and are approved by Audit Committee of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIVE VIEW

The operating and financial review is intended to convey the Management's perspective on the financial and operating performance of the Company at the end of Financial Year 2019-2020. This report should be read in conjunction with the Company's financial statements, the schedules and notes thereto and the other information included elsewhere in the Integrated Report. The Company's financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, Indian Accounting Standards and the guidelines issued by the Securities and Exchange Board of India (SEBI).

This report is an integral part of the Directors' Report. Aspects on industry structure and developments, opportunities and threats, outlook, risks and concerns, internal control systems and their adequacy, material developments in human resources and industrial relations have been covered in the Directors' Report.

STEEL INDUSTRY

In 2019, India became the second largest crude steel producing country in the world, with a crude steel production of 111 MnT, an increase of 1.8% over the previous year. However, the growth rate was much lower compared to the previous year. Growth in the construction sector weakened due to falling investments in fixed asset formation. Sharp fall in the private consumption led to weaker growth in automotive and consumer durables.

India is looking to modernize, expand and accommodate the aspirations of a growing population where industrialization, urbanization, and access to technology are the key pillars of economic growth. Thus, steel consumption growth is expected to rise on account of government expenditures on infrastructure and fiscal stimulus to manufacturing industries in the long run.

Government Initiates

Some of the other recent Government initiatives in this sector are as follows:

- Government introduced Steel Scrap Recycling Policy to reduce import.
- An export duty of 30 per cent has been levied on iron ore[^] (lumps and fines) to ensure supply to domestic steel industry.
- Government of India's focus on infrastructure and restarting road projects is aiding the demand for steel. Also, further likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel.
- The Union Cabinet, Government of India approved the National Steel Policy (NSP) 2017, as it intends to create a globally competitive steel industry in India. NSP 2017 envisages 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030-31.
- The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs 200 crore (US\$ 30 million).
- The Government of India raised import duty on most steel items twice, each time by 2.5 per cent and imposed measures including anti-dumping and safeguard duties on iron and steel items.

GLOBAL ECONOMY

The global economy in Calendar Year ('CY') 2019 has seen one of the slowest growth rates since the 2008 financial crisis. The world economy grew by 2.9% in CY 2019, at its slowest pace since the global financial crisis in 2008-09 and much below 3.6% expansion in CY 2018. A slowdown had been anticipated early in the financial year, because of the US-China trade relations, concerns over Brexit and the consequent stress on the global manufacturing and trade. The trade truce or partial deal between the US and China in the second half of the year brought along expectations of a revival in global trade and overall economic growth. However, the rapid spread of the COVID-19 pandemic across the world and the ensuing lockdown in several countries brought unprecedented testing times for the entire global economy as the financial year ended. Lockdowns in most of the affected countries saved lives but were a huge blow to economic activities and the impact will be felt for a long time to come.

INDIAN ECONOMY

The Indian economy continued with its slow growth trend, with quarterly growth rates trending downwards through the year. The fourth quarter witnessed a growth rate of 3% - the lowest in almost a decade. It aptly highlighted the concern of deceleration in the domestic economy even before the impact of COVID-19 shock.

The reasons for this consistent downward growth trajectory are multi-fold. The large-scale defaults and governance issues in few large non-banking financial institutions resulted in liquidity squeeze in the corporate debt markets.

On a relative basis, the Indian currency was stable for most part of the year. It faced significant downward pressure in the last quarter on bouts of increased volatility across global financial markets with the rising uncertainty around COVID-19. Similarly, crude oil prices also exhibited stability for most part of the year before seeing a sharp fall to historic lows in the last couple of months of FY 2019-20.

India's economy in the Financial Year 2020-21 is projected to grow at a slower pace following a longer period of lockdown and slower rate of recovery than anticipated. Effective policies and fiscal measures by the Government will be essential to forestall contraction of growth.

OUTLOOK

Amidst the Covid-19 crisis, Fitch Ratings lowered India's economic growth estimate for FY 2020-21 to 0.8%, citing a fall in consumer spending and fixed investment and disruption in economic activities. However, it expects a sharp rebound in India's growth to 6.7% in FY 2021-22. Besides, favorable international oil prices are likely to keep India's inflation rates within manageable bounds and lower its current account and fiscal deficit.

STATUTORY COMPLIANCE

The Managing Director and the Whole time Director & CFO (Finance & Corporate) make a declaration at each Board Meeting regarding compliance with provisions of various statutes after obtaining confirmation from respective departments of the Company. The Company Secretary ensures compliance with all corporate laws and listing rules applicable to the Company.

RISK MANAGEMENT

Risk management is embedded in the Company's framework. The management believes that managing risk helps in maximizing return. The Company recognizes the emerging risks that need to be maintained and mitigated in order to protect the interest of stakeholders and ensure sustainable growth. Management policies, processes, inbuilt controls, market research and MIS are duly carried to ensure effective risk management.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains a formal system of Internal Control to ensure efficient and effective utilization of resources, operational effectiveness and statutory/regulatory compliances. The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control systems in the Company, Based on the report of internal audit function, process owners undertake corrective action(s) in their respective area(s) and thereby strengthen the controls. Significant audit observations and corrective action(s) thereon are presented to the Audit Committee.

OPERATIONAL PERFORMANCE

During the year under review, the Company recorded a profit after tax of Rs. 272.09 Lakhs (previous year: Rs. 187.38 Lakhs). The basic and diluted earnings per share for the Financial Year 2019-2020 were at 1.67 per share (previous year: basic: 1.15 per share, diluted: 1.15 per share).

The turnover and profit/(loss) figures of Rathi Bars Limited are given below:

| | In Lakhs | |
|--------------------------------|--------------|--------------|
| | 19-20 | 18-19 |
| Turnover | 38,300.50 | 40,953.24 |
| EBITDA | 1,201.60 | 878.14 |
| Profit before tax (PBT) | 287.37 | 273.29 |
| Profit after tax (PAT) | 272.09 | 187.38 |

HUMAN RESOURCE MANAGEMENT

The Company has established a robust Human Resources ('HR') system that nurtures a conducive and productive work culture. Improving employee productivity is of utmost importance to the organisation.

DIGITAL TRANSFORMATION

Digitalization has been one of the most focused areas for the Management. The Company has pursued digital transformation to optimize its functional and operational efficiency. It has emphasized on building and strengthening its Information and Communication Technology ('ICT') capabilities over the past few years. With a fully integrated IT enterprise system in place, the Company seamlessly caters to all its business functions. It further endeavors to adopt cutting-edge technology solutions to improve its decision-making efficiency and accuracy.

CORPORATE SUSTAINABILITY

Sustainability has always been the cornerstone of the Company's business strategy. The Company is achieving environment sustainability by:

- Undertaking water replenishment projects in the community surrounding our factories

- Reducing non-process water consumption by focusing on reduction in freshwater usage as well as collection of rainwater to use in the manufacturing process after purification
- Reducing energy consumption in operations, while improving efficiency and quality in production
- Increasing the contribution of renewable sources thus demonstrating the commitment of sourcing clean energy
- Minimizing solid and liquid waste in our processes

IMPACT OF COVID-19 PANDEMIC ON THE COMPANY

1. Impact of Covid on business

The ongoing Covid-19 Pandemic has resulted into business disruption in labor supply, raw material unavailability, working capital constraints and restricted demand due to limited movement of people and purchasing ability. Further due to closure of office and factory premises, the Company faced a slowdown in production which is likely to continue for a couple of months.

2. Ability to maintain operations including factories/units/office spaces functioning and closed down

Due to the nationwide lockdown beginning from 24th March, 2020, the Company was not in operation as the factory and office premises remained closed which resulted into operations of office and manufacturing unit of the Company came to a halt, which is impacting the sales performance of the Company

3. Schedule, if any, for restarting the operations

The operations have already started with partial/reduced capacity and according to guidelines issued by the Government and local authorities where the plant is located.

4. Steps to ensure smooth functioning operations

the Company has taken all the precautionary and safety measures relating to hygiene and maintenance of social distancing norms, routine cleaning and disinfection/sanitization, thermal screening, mandatory usage of masks and hand gloves and frequent use of sanitizers, use of Aarogya Setu App, creation of awareness among employees, fumigation at intervals, restraint on travel, extensive use of video facility in conduction of meetings, etc.

5. Estimation of future impact of Covid-19 on operations

Due to Covid-19 pandemic, the production ability, revenue from operations and profitability of the Company are likely to be impacted and the Company is closely monitoring it and making every possible effort to mitigate this. However, it is difficult to estimate the definitive impact of COVID-19 on the operations of the Company beyond 01 of the Financial Year 2020-2021 at this point of time.

6. Impact of Covid-19 on

a) Capital and Financial Resources

Given the present condition, there is no impact on capital and financial resources of the Company.

b) Profitability

The profitability of the Company for the year 2019-20 has been finalized and disseminated in public domain on 31st July, 2020. The profitability for the year 2020-21 will also be at a lower level because of the reduction in sales due COVID-19 lockdown.

- c) Liquidity/ability to service debt**
The Company is facing the liquidity issue at the moment due to slow receipt of funds from its customers. The Company is planning to reduce the overhead cost appropriately and working double hard on recovery
- d) Supply Chain**
With the relaxation in lock down conditions, and taking into consideration the Government's policy of progressive resumption of economic activities, it is expected that the strain on the supply chain imposed by Covid- 19 shall ease in a gradual manner going forward.
- e) Demand for the Company's Products and services**
Taking into consideration the Company's product profile and its nature of end use (steel bars and billets) its demand shall continue to remain robust in the post Covid-19 situation.
- f) Internal Financial reporting and control**
All internal financial reporting and controls have been adequately maintained which shall continue

CORPORATE GOVERNANCE REPORT

[Pursuant to provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

The end of the year under review saw challenging times for the Company as well as for the world at large due to the COVID-19 pandemic. The situation continues to be exceptional and dynamic. The regulators including Ministry of Corporate Affairs (MCA) and the Securities Exchange Board of India (SEBI) promptly announced many relaxations with respect to the compliance requirements of the Companies to facilitate companies to conduct smooth operations and cope with the challenging times. The Company appreciates and acknowledges the relaxations and dispensations granted by the MCA and SEBI, inter alia, for conduct of Annual General Meeting through electronic mode and dispatch of Annual Report electronically to shareholders who have registered their email addresses. These relaxations are noteworthy and were the need of the hour

The Directors of the Company are pleased to present the Corporate Governance Report for the Financial Year 2019-2020. The Shareholders and Investors of the Company will find the information informative and useful.

Company's policies on the Corporate Governance and due Compliance Report on specific areas wherever applicable for the year ended 31st March, 2020 are given hereunder divided into the following areas:

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:-

The fundamental principle of Corporate Governance is achieving sustained growth ethically and in the best interest of all stakeholders. The Company continuously strives for improving performance. The Company's philosophy on Corporate Governance oversees business strategies and ensures accountability, integrity, ethical corporate behavior and fairness to all its stakeholders comprising regulators, employees, customers, vendors, investors and society at large. The Company has adopted a Code of Conduct for its employees including the Managing Director, Executive Directors and its Non-Executive Directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013.

The Company has adhered to the requirements stipulated under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as applicable [including relaxations granted by the Securities and Exchange Board of India ('SEBI') in the wake of Covid-19], with regard to Corporate Governance and the same is disclosed in this Report.

BOARD OF DIRECTORS:-

A. Composition and Size of the Board

The Board of Directors of the Company is the highest governance authority within the management structure of the Company. The Composition of the Board is in conformity with Regulation 17(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 149 of the Companies Act, 2013.

The composition of the Board of Directors as at 31st March 2020 is as follows:

| Name | Designation | Executive / Non-executive / Independent |
|----------------------------|-------------------------|---|
| Sh. Kamlesh Kumar Rathi | Managing Director | Executive |
| Sh. Anurag Rathi | Whole-Time Director-CFO | Executive |
| Sh. Uddhav Rathi | Director | Non-Executive |
| Sh. Chander Mohan | Additional Director | Non-Executive |
| Smt. Shikha Chakraborty | Director | Independent Director |
| Sh. Ashok Kumar Garg | Director | Independent Director |
| Sh. Binod Kumar Maheshwari | Director | Independent Director |
| Smt. Sonali V Chitalkar | Director | Independent Director |

B. Board meetings held during the year

The Board meets at least once in a quarter to consider, amongst other business, the quarterly performance of the Company and its financial results. The Board held **ten** meetings during the financial year 2019-2020 on 24th April, 2019, 30th May 2019, 27th July, 2019, 14th August, 2019, 05th September, 2019, 14th November, 2019, 14th January, 2020, 30th January, 2020, 13th February 2020 and 24th February, 2020 and the gap between two meetings doesn't exceed 4 months as per listing regulations. All the relevant information needed for taking decisions by the Board is made available to the Directors at the meetings.

Independent Directors are Non-Executive Directors as defined and moreover, they have confirmed that they meet the criteria as mentioned under the regulations of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act.

The Board and its Committees formulate policy decisions, to lead and control the Company. None of the Director is a member of more than 10 Committees or Chairman of more than of 5 Committees across all Companies in which they are directors. Chairmanship / Membership of Board Committees include only Audit committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

The details are as under:

| S. No. | Name of Directors | No. of Board Meetings attended | Attendance at last AGM | Number of Directorship in Other public companies (s)(*) | | Total Number of committee positions held in other public companies as on 31.03.2020 | | Shareholding (Ordinary shares of Rs. 10/- each) |
|--------|-------------------------|--------------------------------|------------------------|---|--------|---|--------|---|
| | | | | Chairman | Member | Chairman | Member | |
| 1. | Mr. Kamlesh Kumar Rathi | 10 | YES | 1 | 2 | Nil | Nil | 8,18,387 (5.01%) |
| 2. | Mr. Anurag Rathi | 10 | YES | - | 2 | Nil | Nil | 12,16,751 (7.45%) |
| 3. | Mr. Uddhav Rathi | 9 | YES | - | 2 | Nil | Nil | 8,59,330 (5.26%) |

| | | | | | | | | |
|----|----------------------------|---|----|---|---|-----|-----|-----|
| 4. | Mr. Ashok Kumar Garg | 7 | NO | - | - | Nil | Nil | Nil |
| 5. | Mr. Binod Kumar Maheshwari | 7 | NO | 1 | 4 | Nil | Nil | Nil |
| 6. | Ms. Sonali V Chitalkar | 1 | NO | - | - | Nil | Nil | Nil |
| 7. | Ms. Shikha Chakraborty | 2 | NO | - | - | Nil | Nil | Nil |
| 8. | Mr. Chander Mohan | 1 | NO | - | - | Nil | Nil | Nil |

* Excludes directorship in associates, private, foreign and Section 8 Companies.

C. Information in cases of appointment or re-appointment as required under listing regulations is given as under:

Mr. Kamlesh Kumar Rathi retires by rotation and re-appointed as Director of the Company in the AGM. Mr. Manoj Kumar resigned from the office of Director w.e.f 27th July, 2019, Mr. Rajesh Kumar Sharma, who was appointed as an additional director w.e.f 27th July, 2019 was not regularized at the 26th Annual General Meeting. Whereas Ms. Sonali Arora was appointed as Company Secretary w.e.f 24th April, 2019 and she resigned w.e.f 25th June, 2019. Mr. Amit Kumar Mangla was appointed as Company Secretary w.e.f 27th July, 2019.

D. Code of conduct for Board Members and Senior Management

The Board of Directors has laid down the Code of Conduct for all the Board members and members of the Senior Management of the Company. Additionally all Independent Directors of the Company shall be bound by duties of Independent Directors as set out in the Companies Act, 2013 read with the Schedules and Rules there under.

All the Board members and Senior Management personnel have affirmed compliance with the Code of Conduct.

The Code of Conduct is available on the website of the Company.

E. Disclosure of relationship between Directors inter-se:

Mr. Kamlesh Kumar Rathi, Mr. Anurag Rathi, Mr. Uddhav Rathi are related to each other being the members of the same family and Mr. Binod K Maheshwari, Mr. Ashok Kumar Garg, Ms. Sonali V Chitalkar and Ms. Shikha Chakraborty are Independent Directors and Mr. Chander Mohan (Executive Director) do not relate to other Directors or inter-se.

F. Policy of Familiarization Programme:

According to the requirement under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 policy of familiarization programmes imparted to Independent Directors have been provided on the website www.rathisteels.com.

G. Key Board Members Qualifications, Expertise and Attributes:

The Directors are committed to ensuring that the Board is in compliance with the highest standards of Corporate Governance. The following key qualifications, skills and attributes are taken into consideration by the NRC while recommending appointment of Directors to the Board, namely:

| | |
|---|---|
| Industry knowledge and experience | Experience and knowledge of the functioning, operations, changing trends of the industry. |
| Technical expertise | Expertise on project handling, market outreach, resource management |
| Behavioral Competencies | Ability and willingness to work in dynamic environment with integrity and ethical standards. |
| Management and leadership skills | Competent in maintaining public relations, ability to evaluate opportunities in the line of Company's strategies. |
| Understanding of financial aspects | Experience in financial management with understanding of funding, capital management and financial reporting processes. |

BOARD COMMITTEES**AUDIT COMMITTEE:**

The Audit Committee of the Company is constituted as per Section 177 of the Companies Act and Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to review the Internal Audit Systems and it comprises of Independent Directors in compliance of the respective Regulation. Mr. Ashok Kumar Garg, is the Chairman of the Committee, Mr. Anurag Rathi and Mr. Binod Kumar Maheshwari are the members of the Committee. Finance Manager/CFO and Statutory Auditors are the invitees to the meeting. The terms of reference of this Committee cover the matters specified for Audit Committees under Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as well as in Section 177 of the Companies Act, 2013. There were **Five** Audit Committee Meetings held during the year.

ATTENDANCE OF EACH DIRECTOR AT THE AUDIT COMMITTEE MEETINGS:

| Name of the Director | Number of Audit Committee meetings held | Number of Audit Committee Meetings attended |
|---------------------------------|---|---|
| Mr. Ashok Kumar Garg - Chairman | 5 | 5 |
| Mr. Binod K Maheshwari -Member | 5 | 5 |
| Mr. Anurag Rathi - Member | 5 | 5 |

The major tasks performed by the Audit Committee may be grouped under the following heads:

Statutory audit, internal audit, approval of related party transactions, reporting and other aspects;

- i. The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The Committee acts as a link between the Management, Auditors and the Board of Directors of the Company and has full access to the financial Information.

- ii Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible and ensuring timely submission to statutory authorities.
- iii Reviewing the Management Discussion & Analysis of financial and operational performance.
- iv Reviewing with the management, the quarterly financial statements and annual financial statements and auditor's report thereon before submission to the Board for approval.
- v Review the adequacy and effectiveness of the Company's system and internal control.
- vi Evaluation of Internal Financial Controls and Risk Management systems.
- vii To review the functioning of the Whistle Blower mechanism.

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee ('NRC') of the Company is constituted in accordance with Section 178 of the Companies Act and Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to give recommendation to the Board regarding appointment/ re-appointment of the Board of Directors and Independent Directors and to evaluate the performance of them and it comprises of Independent Directors and Non- Executive Directors in compliance of the respective Regulation.

The terms of reference of this Committee cover the matters specified for Nomination and Remuneration Committee under Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as well as in Section 178 of the Companies Act, 2013. Three Meetings of the respective committee were held during the year to consider the appointment of Mr. Amit Kumar Mangla, Company Secretary, Mr. Rajesh Kumar Sharma and Mr. Chander Mohan as additional Directors.

The terms of reference of the committee are as follows:-

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to, the remuneration of the Directors, key Managerial Personnel and other employees;
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. Devising a policy on Board diversity;
- iv. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- v. The Remuneration Policy as adopted by the Company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The workers at the factory as well as those rendering clerical, administrative and professional services are suitably remunerated according to the industry norms.

The details of the composition of the Nomination and Remuneration Committee are as under:

| S. No. | Name | Nature of Directorship | Designation in Committee | Attendance in NCR committee | No of NRC meetings attended |
|--------|----------------------|------------------------|--------------------------|-----------------------------|-----------------------------|
| 1 | Mr. B. K. Maheshwari | Independent Director | Chairman | Yes | 3 |
| 2 | Mr. Ashok Kumar Garg | Independent Director | Member | Yes | 3 |
| 3 | Mr. Uddhav Rathi | Non-Executive Director | Member | Yes | 3 |

FORMULATION OF POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration Committee discussed and thereafter decided upon the policy for selection of appointment of directors and their remuneration. The highlights of this policy are as follows:

1. Criteria of selection of Non-Executive Directors

- 1.1. Letter of appointment shall be issued based on the recommendations of the Committee on the basis of the guidelines for the same under the Companies Act, 2013 or the Company Internal policy.
- 1.2. The Committee shall identify and ascertain the integrity, qualification, expertise and experience for appointment to the position of Directors, KMPs & Senior Management.
- 1.3. A potential candidate should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee shall review qualifications, expertise and experience, as well as the ethical and moral qualities possessed by such person, commensurate to the requirement for the position.
- 1.4. The Committee shall determine the suitability of appointment of a person to the Board of Directors of the Company by ascertaining the 'fit and proper criteria' of the candidate. The candidate shall, at the time of appointment, as well as at the time of renewal of directorship, fill in such form as approved by the Committee to enable the Committee to determine the 'Fit and Proper Criteria'.
- 1.5. The Company shall not appoint or continue the employment of any person as whole time director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- 1.6. The Committee shall ensure that there is an appropriate induction & training programme in place for new directors, members of senior management, and KMP
- 1.7. The Committee shall making recommendations to the Board concerning any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provision of the law and their service contract.
- 1.8. The Committee shall recommend any necessary changes to the Board.

2. REMUNERATION

2.1. In discharging its responsibilities, the committee shall have regard to the following policy objectives:-

- To ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
- To attract and retain competent executives;
- To plan short and long-term incentives to retain talent;
- To ensure that any severance benefits are justified.

2.2 The remuneration/compensation/commission etc. to the whole-time director, KMP and senior management & other employees will be determined by the Committee and recommended to the Board for approval.

2.3 The remuneration to be paid to the Managing Director shall be in accordance with the percentage/slabs/conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013 and the rules made there under.

2.4 Increments to the existing remuneration/compensation structure of the Senior Management excluding the Board of Directors comprising of members of Management one level below the Executive Directors, including the Functional Heads will be decided by the Chairman & Managing Director.

2.5 Remuneration to Whole-time/ Managing Director, KMP, senior management;

2.5.1 FIXED PAY:

The MD and/or Whole Time Director / KMP and senior management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee and the shareholders wherever applicable. The breakup of the pay scale and quantum of perquisites including, employer's contribution towards provident fund, pension scheme, medical expenses, club fees and other perquisites shall be decided and approved by the Board on the recommendation of the Committee.

2.5.2 MINIMUM REMUNERATION:

If in any financial year, the Company has no profits or its profits are inadequate, it shall pay remuneration to its MD in accordance with the provisions of Schedule V of the Companies Act, 2013 and if the Company is not able to comply with such provisions, previous approval of the Central Government shall be required to be obtained. However, no remuneration has been paid to the Managerial persons during the year.

2.6 Remuneration to Non-Executive/ Independent Director:-

2.6.1 REMUNERATION:

No remuneration is paid to the Non-executive Directors of the Company.

2.6.2 SITTING FEES:

No sitting fee is paid to the non-executive and Independent Directors of the Company.

STAKE-HOLDER'S RELATIONSHIP COMMITTEE:

The Stake-Holder's Relationship Committee of the Company is constituted as per Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to give recommendation to look after the redressal of Shareholders and Investors Grievances and approves transfer/transmission, sub-division and issue of duplicate share certificates etc. The Company's Registrars and Share Transfer Agents handle the investor grievances in consultation with the Compliance Officer of the Company. The Registrars have adequate skilled staff with potential qualifications and advanced computer systems for speedy redressal of the investor grievances.

The details of composition of the Committee are as under:

| S. No. | Name | Nature of Directorship | Designation in Committee |
|---------------|----------------------|-------------------------------|---------------------------------|
| 1. | Mr. Uddhav Rathi | Director | Chairman |
| 2. | Mr. B. K. Maheshwari | Independent Director | Member |
| 3. | Mr. Ashok Kumar Garg | Independent Director | Member |

The total process of settlement of a complaint right from its receipt to disposal is fully computerized to ensure timely settlement. It normally takes 10-15 days from the receipt of complaint for disposal of investor grievance.

The Company has not received any complaint during the year and there is no pending complaint as on date.

INDEPENDENT DIRECTOR'S MEETING:

During the year under review, the Independent director meeting was not held due to lockdown and Covid-19.

PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013, a separate exercise was carried out to evaluate the performance of Individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as Stakeholder Relationship Committee. The Directors expressed their satisfaction with the evaluation process.

RELATED PARTY TRANSACTIONS:

All transactions entered into with Related Parties during the financial year were in the ordinary course of business and on an arm's 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. However, the quantum of transaction was more than the limits approved by the shareholders of the Company. Suitable disclosure as required by the Accounting Standards (AS-18) 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, www.rathisteels.com.

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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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. A link to such policy is also provided in the website of the Company.

Compliances, rules & regulations as laid down by various statutory authorities has always been observed by the Company since such change over 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.

The Company has paid a fee of Rs. 1, 15,000 (Rupees One Lakh Fifteen Thousand) to the Statutory Auditor of the Company for all his services including statutory audit.

GENERAL BODY MEETINGS:

The General Meetings of the last three years of the Company have been held as under:

| For the Year | Location | Day and Date | Time | No. of Special Resolutions passed |
|---------------------|--|---|-------------|--|
| 2018-2019 (AGM) | A-24/8, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-110044 | Monday, 30 th September, 2019 | 10:00 AM | 5 |
| 2017-2018 (AGM) | A-24/8, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-110044 | Saturday, 29 th September, 2018 | 10:00 AM | 3 |

| | | | | |
|--------------------|--|---|----------|---|
| 2016-2017 (AGM) | A-24/8, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-110044 | Friday, 29 th September, 2017 | 10:00 AM | 3 |
|--------------------|--|---|----------|---|

No Extra Ordinary General Meeting of the shareholders was held during the year.

However, Company's shareholders have passed Special Resolution through Postal Ballot wherein postal ballot and remote e-voting commenced from Tuesday, 21st January, 2020 at 09:00 AM and ended on Wednesday, 19th February, 2020 at 05:00 PM

There is no resolution proposed to be passed through postal ballot in the ensuing Annual General Meeting.

MEANS OF COMMUNICATION:

The quarterly, half-yearly and yearly un-audited/Audited financial results of the Company were published in leading newspapers viz. Veer Arjun (Hindi) and Pioneer (English). Half-yearly results are not sent to each shareholder's address as a matter of economy. Annual Report is sent to all the shareholders and made available at the time of AGM and submitted to BSE from where Annual Report can be downloaded free of cost in PDF format.

GENERAL SHAREHOLDERS INFORMATION:

| | |
|---|--|
| Corporate Identification Number (CIN) | L74899DL1993PLC054781 |
| Registered Office | A-24/7, Mohan Cooperative Industrial Estates, Mathura Road, New Delhi-110044 |
| Annual General Meeting | |
| Day, Date and Time | : Tuesday, 29 th September, 2020 at 10.00 A. M. |
| Venue | : The Company is conducting meeting through Video Conference / Other Audio Visual Means pursuant to the MCA Circular dated 5 th May, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM |
| Financial Calendar | |
| Financial Year | : 01 st April, 2019 to 31 st March, 2020 |
| First Quarter Results | : 14 th August, 2019 |
| Second Quarter Results | : 14 th November, 2019 |
| Third Quarter Results | : 13 th February, 2020 |
| Fourth Quarter Results | : 31 st July, 2020 |
| Annual General Meeting for the year ending March 31, 2019 | : 30 th September, 2019 |
| Date of Book Closure | : 23 rd to 29 th September, 2019 (both days inclusive) |
| Dividend Payment Date | : NA |
| Listing on Stock Exchanges | : Bombay Stock Exchange Ltd. Floor 25, P J Towers, Dalal Street, Mumbai-400 001 |
| Scrip Code | : 532918 |

ISIN for Depositories : INE575101016

MARKET INFORMATION

Market Price Data as compared to closing Sensex during 2019-2020:

Market Price Data**Bombay Stock Exchange**

| Month | High(Rs.) | Low(Rs.) |
|----------|-----------|----------|
| April 19 | 15.40 | 12.51 |
| May 19 | 14.40 | 12.10 |
| June 19 | 14.38 | 8.01 |
| July 19 | 11.80 | 8.07 |
| Aug. 19 | 10.77 | 7.10 |
| Sept. 19 | 11.86 | 7.80 |

Market Price Data**Bombay Stock Exchange**

| Month | High(Rs.) | Low(Rs.) |
|---------|-----------|----------|
| Oct. 19 | 10.60 | 8.25 |
| Nov. 19 | 10.89 | 8.56 |
| Dec. 19 | 10.51 | 8.63 |
| Jan. 20 | 11.00 | 8.78 |
| Feb. 20 | 10.20 | 7.76 |
| Mar. 20 | 9.44 | 7.15 |

DISTRIBUTION SCHEDULE AS ON 31.03.2020

| SHAREHOLDING | NO.OF SHARE-HOLDERS | %AGE | NO.OF SHARES | % AGE TO TOTAL |
|--------------|---------------------|------------|-----------------|----------------|
| Upto-5000 | 5,185 | 73.64 | 998559 | 6.115 |
| 5001-10000 | 1,011 | 14.36 | 778511 | 4.767 |
| 10001-20000 | 491 | 6.97 | 701247 | 4.294 |
| 20001-30000 | 113 | 1.60 | 287481 | 1.76 |
| 30001-40000 | 51 | 0.72 | 184375 | 1.129 |
| 40001-50000 | 38 | 0.54 | 177587 | 1.087 |
| 50001-100000 | 69 | 0.98 | 487890 | 2.988 |
| 100001-Above | 83 | 1.17 | 12714707 | 77.859 |
| TOTAL | 7,041 | 100 | 16330357 | 100.00 |

PHYSICAL/NSDL/CDSL -SUMMARY REPORT AS ON 31.03.2020:

| PARTICULARS | HOLDERS | SHARES | PERCENTAGE (%) |
|--------------|--------------|--------------------|----------------|
| PHYSICAL | 7 | 1,06,538 | 0.65 |
| NSDL | 4,081 | 1,37,11,270 | 83.96 |
| CDSL | 3,017 | 25,12,549 | 15.38 |
| TOTAL | 7,105 | 1,63,30,357 | 100.00 |

* 64 holders are common in demat & physical

SHAREHOLDING PATTERN AS ON 31.03.2020:

| CATEGORY | NO. OF HOLDERS | NO. OF SHARES | PERCENTAGE % OF HOLDING |
|---------------------------|----------------|--------------------|-------------------------|
| PROMOTER & PROMOTER GROUP | 22 | 1,04,53,112 | 64.01 |
| FINANCIAL INSTITUTION | 1 | 223 | 0.00 |
| CLEARING MEMBER | 10 | 16,288 | 0.10 |
| NON-RESIDENT INDIAN | 52 | 1,38,342 | 0.5 |
| BODIES CORPORATE | 32 | 1,13,214 | 0.69 |
| INDIVIDUALS | 6924 | 56,09,178 | 34.34 |
| TOTAL | 7041 | 1,63,30,357 | 100.00 |

DEMATERIALISATION OF SHARES:

Break up of shares in physical and demat form as on 31st March, 2020 is as follows:

| Particulars | No. of Shares | % of Total No. of Shares |
|------------------|--------------------|--------------------------|
| Physical Segment | 1,06,538 | 0.65 |
| Demat Segment | 1,62,23,819 | 99.34 |
| NSDL | 1,37,11,270 | 83.96 |
| CDSL | 25,12,549 | 15.38 |
| Total | 1,63,30,357 | 100 |

OUTSTANDING INSTRUMENTS AND THEIR IMPACT ON EQUITY:

There are no outstanding GDRs/ADRs or warrants or any other convertible instrument as on 31.03.2020.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

The above mentioned clause is not applicable on the Company.

IN CASE THE SECURITIES OF THE COMPANY ARE SUSPENDED FROM TRADING, THE REASONS THEREOF:

Not Applicable

IMPACT OF LOCKDOWN ON SHARE RELATED OPERATIONS:

The Ministry of Home Affairs issued various guidelines; vide its Order dated 24th March, 2020, laying down measures to be taken by ministries and the other departments of Government of India for containment of COVID – 19 pandemic. The Order, inter alia, provided that commercial and private establishments shall be closed, but the entities providing capital and debt market services as notified by SEBI shall be exempted from such closure. SEBI in line with the said Order of the Ministry of Home Affairs with respect to lockdown restrictions, issued a Notification dated 24th March, 2020, allowing entities providing capital and debt market services, including Registrar and Share Transfer Agents (RTA) to operate during the period of lockdown with restrictions. The office of the Company's RTA, MAS Services Limited, is situated in New Delhi. The lockdown restrictions imposed by the Government of India to counter the spread of COVID – 19 pandemic and other restrictive measures taken by the State Government

on use of public transport, on operations of the postal services as well as their office area being demarcated as a red zone, from time to time, allowed for only critical business operations and largely impacted its regular operations. SEBI vide its Circular No. SEBI/HO/MIRSD/RTAMB/ CIR/P/2020/59 dated 13th April, 2020, extended the timelines for processing of various investor requests pertaining to physical securities and compliance & disclosures to be made under SEBI Regulations and various SEBI circulars. The relaxation was being given to intermediaries / market participants, including Registrar and share Transfer Agent for equivalent period of lock down declared by the Government of India, over and above the prescribed time limits.

Accordingly, all the request(s) received from the shareholders and pending with the Company or its Registrar and Share Transfer Agent would be addressed in accordance with the timelines/ relaxations as provided by the Statutory Authorities.

RELATED PARTY TRANSACTIONS:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 during the financial year were on arm's length 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 year.

As required under Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy on dealing with the Related Party Transactions. The policy is available on the website: www.rathisteels.com

NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE:

There are no instances of non-compliance of any requirement of Corporate Governance Report. The Company has been regularly submitting the quarterly compliance report to the Stock Exchange as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

PLANT LOCATION:

SP 1-7, RIICO Industrial Area, Khushkhera (Bhiwadi), P.O.Tapukra-301707, Distt. Alwar, Rajasthan

REGISTER & SHARE TRANSFER AGENT:

MAS Services Limited, T-34, Second Floor, Okhla Industrial Area, Phase II New Delhi-110020
Ph: 011-26387281-83, Email: sm@masserv.com

VIGIL MECHANISM POLICY:

The Vigil Mechanism Policy adopted by the Company is in line with section 177(9) and (10) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is a mandatory requirement and has been posed on the Company's website, www.rathisteels.com

UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32(7A):

No funds were raised by the Company through Preferential allotment or by way of Qualified Institutions Placement during the financial year, 2019-2020.

LIST OF CREDIT RATINGS OBTAINED:

The list of credit rating(s) obtained by the Company along with revisions thereto during the financial year, 2019-2020 is furnished below:

| Particular | Rating month | Rating during FY 2019-2020 |
|-------------------|---------------------|-----------------------------------|
| CRISIL LIMITED | May, 2019 | BBB |

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

- a) No. of claims filed during the financial year : 0
 b) No. of complaints disposed off during the financial year : 0
 c) No. of complaints pending as on 31.03.2020 : 0

ADDRESS FOR CORRESPONDENCE:

Shareholders correspondence may be addressed to:

| | |
|---|--|
| <p><i>The Registrar & Transfer Agent -</i></p> <p>MAS Services Limited, T-34, Second Floor, Okhla Industrial Area, Phase II New Delhi-110020 Ph:011-26387281-83 Email:sm@masserv.com</p> | <p><i>The Company -</i></p> <p>Rathi Bars Limited, A-24/7, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi-110044 Ph: 011-43165400 Email:rathibars@hotmail.com</p> |
|---|--|

SHARE TRANSFER SYSTEM:

The Company's shares are in demat mode. The shares received for transfer in physical mode are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respect.

CERTIFICATE FROM PRACTICING COMPANY SECRETARIES:

As required under regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained certificate from Practicing Company secretary, which forms part of the Annual report.

By order of the Board of Directors
FOR RATHI BARS LIMITED

Place: New Delhi
 Date: 04.09.2020

Sd/-
 Kamlesh Kumar Rathi
(Managing Director)
 DIN: 00112321

Sd/-
 Anurag Rathi
(Whole-Time Director cum CFO)
 DIN: 00063345

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Rathi Bars Limited

Sir,

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Rathi Bars Limited** having CIN L74899DL1993PLC054781 and having registered office at A-24/7, Mohan Cooperative Industrial Estate, New Delhi-110044 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of appointment |
|---------|------------------------|----------|---------------------|
| 1 | Kamlesh Kumar Rathi | 00112321 | 10.08.1993 |
| 2 | Anurag Rathi | 00063345 | 10.08.1993 |
| 3 | Uddhav Rathi | 06604905 | 13.02.2014 |
| 4 | Chander Mohan | 08679269 | 30.01.2020 |
| 5 | Binod Kumar Maheshwari | 00469637 | 10.01.2007 |
| 6 | Ashok Kumar Garg | 00378643 | 10.01.2007 |
| 7 | Sonali V Chitalkar | 07602962 | 30.09.2016 |
| 8 | Shikha Chakraborty | 08253713 | 12.10.2018 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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 **Gouransh Chawla & Co.**
Company Secretaries

Sd/-

Gouransh Chawla

Practicing Company Secretary
ACS No: 45390, C P No.: 16972
UDIN: A045390B000657287

Date: 03.09.2020
Place: Noida

Ravindra Jyoti Agarwal & Co.
CHARTERED ACCOUNTANTS

26/203, II FLOOR, SHAKARPUR
DELHI-110002

Dear Members,
Rathi Bars Limited
New Delhi.

Auditors' Certificate on Corporate Governance

We have examined the compliance of conditions of Corporate Governance by Rathi Bars Limited for the year ended on March 31, 2020, as required by Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of our review and according to the information and explanation given to us, the Company has complied with the conditions of Corporate Governance as stipulated as per Regulation 17-27 of SEBI (Listing Obligations & Disclosure Requirements) regulations, 2015:

On the basis of records maintained of the Investors'/ Shareholders' Grievance cum Share Transfer Committee of the Company information provided by the management, we state that no investor grievance(s) is/are pending for a period exceeding one month against the Company.

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

For Ravindra Jyoti Agarwal & Co.
Chartered Accountants
FRN: 003569C

Sd/-
Sameer Jain
Partner

Date: 27.08.2020
Place: New Delhi

M.No.512653
UDIN: 20512653AAAACI8577

DECLARATION BY THE MANAGING DIRECTOR

I, Kamlesh Kumar Rathi, Managing Director of Rathi Bars Limited hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended March 31, 2020.

Kamlesh Kumar Rathi

Date: 04.09.2020
Place: New Delhi

Sd/-
(Managing Director)
DIN:00112321

COMPLIANCE CERTIFICATE

TO WHOMSOEVER IT MAY CONCERN

I, Anurag Rathi, Chief Financial Officer of the Rathi Bars Limited to the best of my knowledge and belief, certify to the Board of Directors of the Company as required Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal control for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee :-
 - i) Significant changes in internal control over financial reporting during the year;
 - i) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - ii) Instances of significant fraud of which they have become aware and the Involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 04.09.2020
Place: New Delhi

Sd/-
Anurag Rathi
DIN: 00063345
(Whole Time Director cum CFO)

INDEPENDENT AUDITOR'S REPORT

To the Members of RATHI BARS LIMITED

Opinion

We have audited the accompanying Standalone Ind AS financial statements of M/s Rathi Bars Limited Limited ("the Company") which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in Equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS financial statement")

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

- 1) In the case of Balance Sheet, of the state of affairs of the Company as at 31-03-2020
- 2) In the case of statement of Profit and Loss of the profit, total comprehensive income the year ended on that date.
- 3) In the case of statement of change in equity and its Cash Flow Statement, of the change in equity and its cash flows for the year ended on that date

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Auditors' Response to the Key Audit Matter

Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

- (a) Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.

(b) Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.

(c) Selected a sample of continuing and new contracts and performed the following procedures:

- Read, analysed and identified the distinct performance obligations in these contracts.
- Compared these performance obligations with that identified and recorded by the Company.
- Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibility of Management for the Standalone 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 of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

This Board of Directors are also responsible for overseeing the company's financial reporting process

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from

fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in term of sub-section (11) of section 143 of the Act (hereinafter referred to the "order"), we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose 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, 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 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 written representations received from the Directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and
- g. 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), 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. There is no pending litigations which would have impact on its financial position and its financial statements,
 - ii. In our opinion and as per the information and explanations provides to us, the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses, and
 - iii. There has been no delay in transferring the amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

Place: New Delhi
Date: 25.07.2020

For Ravindra Jyoti Agarwal & Co.
Chartered Accountants
F.R.No: 003569C

Sd/-
Sameer Jain
Partner
M.No. 512653

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENT:

The Annexure referred to in Independent Auditor’s Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report that:

- 1.1 The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- 1.2 All the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- 1.3 According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
2. The inventories have been physically verified at reasonable intervals by the management and no material discrepancies were noticed on such physical verification.
3. As informed to us, the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly the sub-clauses (a), (b) and (c) are not applicable to the company.
4. According to the information and explanations given to us, the Company has complied with the provision of Section 185 and 186 of the Act, with respect to the loans and investment made.
5. The Company has not accepted any deposits from the public.
6. We have broadly reviewed the books of account maintained by the Company pursuant sub-section (1) of Section 148 of the Companies Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- 7.1 The company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and we have been informed that there are no arrears of outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.
- 7.2. According to the information and explanations given to us the following disputed dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited by the company at March 31, 2020 in as much as the disputed demands are pending in appeal before appropriate authority concerned at various level.

| Name of Statute | Nature of Dues | Amount (Rs in Lacs) | Period to which the matter relates | Forum where dispute is pending |
|------------------------|-----------------------|--------------------------------|---|---|
| The Income Tax Act | Penalty | 23.96 | A.Y. 2009-10 | CIT (Appeal), Delhi |
| The Income Tax Act | Penalty | 2.72 | A.Y. 2010-11 | CIT (Appeal), Delhi |
| The Income Tax Act | Penalty | 0.97 | A.Y. 2011-12 | CIT (Appeal), Delhi |
| The Income Tax Act | Penalty | 0.99 | A.Y. 2012-13 | CIT (Appeal), Delhi |
| The Income Tax Act | Penalty | 1.43 | A.Y. 2013-14 | CIT (Appeal), Delhi |
| The Income Tax Act | Penalty | 0.62 | A.Y. 2014-15 | CIT (Appeal), Delhi |

| | | | | |
|--------------------|------------|-------|--------------|---------------------|
| The Income Tax Act | Penalty | 12.22 | A.Y. 2015-16 | CIT (Appeal), Delhi |
| The Income Tax Act | Income Tax | 77.54 | A.Y. 2009-10 | ITAT, New Delhi |
| The Income Tax Act | Income Tax | 8.83 | A.Y. 2010-11 | ITAT, New Delhi |
| The Income Tax Act | Income Tax | 3.13 | A.Y. 2011-12 | ITAT, New Delhi |
| The Income Tax Act | Income Tax | 3.21 | A.Y. 2012-13 | ITAT, New Delhi |
| The Income Tax Act | Income Tax | 4.64 | A.Y. 2013-14 | ITAT, New Delhi |
| The Income Tax Act | Income Tax | 2.01 | A.Y. 2014-15 | ITAT, New Delhi |
| The Income Tax Act | Income Tax | 20.37 | A.Y. 2015-16 | ITAT, New Delhi |
| | | | | |

8. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank.
9. According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
10. In our opinion and according to the information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
11. Based upon the audit procedures performed and according to the information and explanations given to us, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered in to non-cash transactions with directors or persons connected with him.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act , 1934.

Place: New Delhi
Date: 25.07.2020

For Ravindra Jyoti Agarwal & Co.
Chartered Accountants
F.R.No: 003569C

Sd/-
Sameer Jain
Partner
M.No. 512653

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT :

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of Rathi Bars Limited (“the Company”) as of 31 March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial control system with reference to financial statements..

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and

dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: New Delhi
Date: 25.07.2020

For Ravindra Jyoti Agarwal & Co.
Chartered Accountants
F.R.No: 003569C

Sd/-
Sameer Jain
Partner
M.No. 512653

RATHI BARS LIMITED

Regd. Office : A-24/7, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-110044

Standalone Statement of Assets & Liabilities

| Particulars | Notes | As at 31 March,2020 Rs | As at 31 March,2019 Rs |
|--|-------|---------------------------|---------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 3 | 38,44,04,446 | 36,37,52,192 |
| (b) Capital work-in-progress | | 13,06,41,638 | 9,86,68,319 |
| (c) Financial assets | | | |
| -Investments | 4 | 46,74,897 | 46,74,897 |
| (d) Deferred Tax Assets (Net) | | - | - |
| (e) Other non-current Assets | | | |
| -Investment in Gold / Silver | 5 | 14,67,675 | 10,58,755 |
| Sub-total - Non-Current Assets | | 52,11,88,656 | 46,81,54,163 |
| Current assets | | | |
| (a) Inventories | 6 | 13,34,71,365 | 12,68,02,162 |
| (b) Financial assets | | | |
| -Investments | | - | - |
| -Trade receivables | 7 | 58,66,54,309 | 49,71,00,308 |
| -Cash and cash equivalents | 8 | 33,81,885 | 13,78,809 |
| -Loans & Advances | 9 | 18,24,91,658 | 17,01,64,373 |
| (c) Current Tax Assets (net) | | - | - |
| (d) Other Current Assets | 10 | 36,08,725 | 35,80,018 |
| Sub-total - Current Assets | | 90,96,07,942 | 79,90,25,670 |
| TOTAL - ASSETS | | 1,43,07,96,598 | 1,26,71,79,833 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity Share capital | 11 | 16,33,03,570 | 16,33,03,570 |
| (b) Other equity | 12 | 66,03,53,601 | 63,51,19,318 |
| Sub-total - Equity | | 82,36,57,171 | 79,84,22,888 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| -Borrowings | 13 | 5,36,63,191 | 5,68,29,619 |
| (b) Provisions | 14 | 45,59,745 | 2,43,704 |
| (c) Deferred tax liabilities (net) | | 4,06,41,535 | 4,50,26,894 |
| (d) Other non-current liabilities | | - | - |
| Sub-total - Non-current liabilities | | 9,88,64,471 | 10,21,00,217 |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| -Borrowings | 15 | 35,49,37,466 | 23,04,66,284 |
| -Trade payables | 16 | 11,48,63,410 | 10,37,85,654 |
| (b) Other current liabilities | 17 | 3,79,80,059 | 2,86,81,246 |
| (c) Provisions | 18 | 4,94,021 | 37,23,544 |
| (d) Current tax liabilities (net) | | - | - |
| Sub-total - Current liabilities | | 50,82,74,956 | 36,66,56,728 |
| TOTAL - EQUITY AND LIABILITIES | | 1,43,07,96,598 | 1,26,71,79,833 |

General Information 1
Significant Accounting Policies & Notes on Accounts 2

As per our report of even date attached
For Ravindra Jyoti Agarwal & Co.
Chartered Accountants
F.R. No: 003569C

For and on behalf of the Board of Directors

Sd/-
Sameer Jain
Partner
Membership No. 512653

Sd/- Anurag Rathi
(Whole Time Director and CFO)
DIN No: 00063345

Sd/- Kamlesh Kumar Rathi
(Managing Director)
DIN No: 00112321

Place : New Delhi
Date : 25/07/2020

RATHI BARS LIMITED

Regd. Office : A-24/7, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-110044

Statement of Profit and Loss for the year ended 31st March, 2020

| Particulars | Note No. | For the Year ended | For the Year ended |
|---|----------|-----------------------|-----------------------|
| | | 31 March, 2020 | 31 March, 2019 |
| | | Rs | Rs |
| 1 Revenue | | | |
| (a) Revenue from Operations | 19 | 3,83,00,50,390 | 4,09,53,24,078 |
| (b) Other Income | 20 | 33,08,355 | 34,71,452 |
| Total Revenue | | 3,83,33,58,745 | 4,09,87,95,530 |
| 2 Expenses | | | |
| (a) Cost of Materials consumed | 21 | 2,13,41,75,544 | 2,57,04,55,606 |
| (b) Purchase of stock-in-trade | | 1,20,05,05,406 | 89,76,70,812 |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 22 | (26,75,435) | (4,95,85,227) |
| (d) Employee benefits expense | 23 | 9,66,15,530 | 9,59,97,136 |
| (e) Finance Costs | 24 | 3,52,26,726 | 1,53,82,041 |
| (f) Depreciation and amortisation expense | | 5,72,34,392 | 4,51,82,783 |
| (g) Other expenses | 25 | 28,35,39,381 | 49,63,62,790 |
| Total Expenses | | 3,80,46,21,544 | 4,07,14,65,941 |
| 3 Profit / (Loss) before exceptional items and Tax(1-4) | | 2,87,37,201 | 2,73,29,589 |
| 4 Exceptional Items | | | |
| 5 Profit / (Loss) before tax (3 - 4) | | 2,87,37,201 | 2,73,29,589 |
| 6 Tax expense* | | | |
| (a) Current Tax | | 59,12,591 | 39,67,528 |
| (b) Deferred tax (Refer Note-2 item 3g of notes of accounts) | | (43,85,359) | 46,23,412 |
| 7 Net Profit / (Loss) for the period from Continuing Operatin (5 - 6)* | | 2,72,09,969 | 1,87,38,649 |
| 8 Profit & Loss from Discontinuing Operation | | - | - |
| 9 Tax Expenses from Discontinuing operation | | - | - |
| 10 Profit / (Loss) from Discontinuing Operation after | | - | - |
| 11 Net Profit / (Loss) for the period (7 + 10) | | 2,72,09,969 | 1,87,38,649 |
| 12 Other Comprehensive Income | | | |
| A i Items that will not be reclassified to Profit or Loss | | - | - |
| ii Income Tax relating to items that will not be reclassified to Profit or Loss | | - | - |
| B i Items that will be reclassified to Profit or Loss | | - | - |
| ii Income Tax relating to items that will be reclassified to Profit or Loss | | - | - |
| Total Comprehensive Income (11+12) | | | |
| 13 Earnings Per Share (EPS) (of Rs. 10/- each) | | | |
| (a) Basic and diluted (EPS) (in Rs.) | | 1.67 | 1.15 |
| General Information | 1 | | |
| Significant Accounting Policies & Notes on Accounts | 2 | | |

As per our report of even date attached

For Ravindra Jyoti Agarwal & Co.

Chartered Accountants

F.R. No: 003569C

Sd/-

Sameer Jain

Partner

Membership No. 512653

For and on behalf of the Board of Directors

Sd/-

Anurag Rathi

(Whole Time Director and CFO)

DIN No: 00063345

Sd/-

Kamlesh Kumar Rathi

(Managing Director)

DIN No: 00112321

Place : New Delhi

Date : 25/07/2020

RATHI BARS LIMITED

Regd. Office : A-24/7, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-110044

Statement of Changes in Equity for the year ended 31st March 2020

| A. EQUITY SHARE CAPITAL | | (Amount in Rs.) |
|---|------------------------|-----------------|
| Particulars | Balance | |
| As at 1st April, 2018 | 16,33,03,570.00 | |
| Changes in equity share capital during the year | - | |
| As at 31st March, 2019 | 16,33,03,570.00 | |
| Changes in equity share capital during the year | - | |
| As at 31st March, 2020 | <u>16,33,03,570.00</u> | |

| Particulars | (Amount in Rs.) | | |
|---|---------------------|----------------------------|---------------------|
| | Reserve and Surplus | Securities Premium Account | Total |
| Balance as on 01 April, 2018 | 43,36,20,787 | 17,85,71,425 | 61,21,92,212 |
| i Add/Less : Changes in Accounting Policy or Prior Period Items | - | - | - |
| Restated balance at 01 April, 2018 | 43,36,20,787 | 17,85,71,425 | 61,21,92,212 |
| i Add/Less : Total Comprehensive Income for | - | - | - |
| ii Dividends | - | - | - |
| iii Transfer to Retained Earnings | 1,87,38,649 | - | 1,87,38,649 |
| iv Any Other Change | 41,88,457 | - | 41,88,457 |
| Balance as on March 31, 2019 | 45,65,47,893 | 17,85,71,425 | 63,51,19,318 |
| i Add/Less : Changes in Accounting Policy or Prior Period Items | - | - | - |
| Restated balance at 01 April, 2019 | 45,65,47,893 | 17,85,71,425 | 63,51,19,318 |
| i Add/Less : Total Comprehensive Income for the Year | - | - | - |
| ii Dividends | - | - | - |
| iii Transfer to Retained Earnings | 2,72,09,969 | - | 2,72,09,969 |
| iv Any Other Change | (19,75,686) | - | (19,75,686) |
| Balance as on March 31, 2020 | <u>48,17,82,175</u> | <u>17,85,71,425</u> | <u>66,03,53,600</u> |

As per our report of even date attached

For Ravindra Jyoti Agarwal & Co.

Chartered Accountants

F.R. No: 003569C

For and on behalf of the Board of Directors

Sd/-
Sameer Jain
Partner

Membership No. 512653

Place : New Delhi

Date : 25/07/2020

Sd/- Sd/- Sd/-
Anurag Rathi Kamlesh Kumar Rathi
(Whole Time Director and CFO) (Managing Director)

DIN No: 00063345

DIN No: 00112321

RATHI BARS LIMITED

Regd. Office : A-24/7, Mohan Co-Operative Industrial Estate, Mathura Road, New Delhi-110044

Cash Flow statement for the year ended 31st March, 2020

(Amount in Rs)

| S. No: | Particulars | Year Ended 31/03/2020 | Year Ended 31.03.2019 |
|--------|--|-----------------------|-----------------------|
| A | Cash Flow from operating activities: | | |
| | Profit Before Taxation | 28737201 | 27329589 |
| | Adjustments for: | | |
| | Depreciation | 57234392 | 45182783 |
| | Interest and Financial Charges | 35226726 | 15382041 |
| | Misc. Expenditure written off | - | - |
| | Pre-operative Expenses | - | - |
| | Loss / (Profit) on Mutual Fund | - | - |
| | Interest Income | (1894489) | (1893979) |
| | Dividend Income | (16900) | (15600) |
| | Operating Profit before working capital changes | 119286930 | 85984834 |
| | Decreased (Increase) in Trade Receivables | (89554001) | (93584309) |
| | Decreased (Increase) in Inventories | (6669203) | (25166687) |
| | Decreased (Increase) in Loan & Advances | (12355992) | 43746913 |
| | Increase (Decrease) in Current Liabilities and Provisions | 17147047 | (15839761) |
| | Cash Generated from operations | 27854781 | (4859010) |
| | Income Tax paid | (5912591) | (3967528) |
| | Net cash provided by operating activities | 21942190 | (8826538) |
| B | Cash flow from investing activities: | | |
| | Proceeds from sale of fixed assets | 0 | 33,57,239 |
| | Sale / (Purchase) of Investments | (408920) | (507155) |
| | Sale / (Purchase) of Fixed assets and Capital Work in Progress | (109859965) | (143883446) |
| | Profit / (Loss) on Mutual Fund | - | - |
| | Income from Interest | 1894489 | 1893979 |
| | Income from Dividend | 16900 | 15600 |
| | Net cash used in investing activities | (108357496) | (139123783) |
| C | Cash Flow from Financing Activities | | |
| | Proceeds from Share Capital (Including Premium) | - | - |
| | Unclaimed Share Application Money Refundable | - | - |
| | Increase / (Decrease) in Reserves & Surplus | (1975686) | 1629520 |
| | Increase in Long Term Borrowing (Net) | 1149613 | 54094560 |
| | Increase in Short Term Borrowing (Net) | 124471182 | 119103327 |
| | Increase (Decrease) in Unsecured Loan | - | (10918744) |
| | Interest Paid | (35226726) | (15382041) |
| | Net Cash used in Financing Activities | 88418383 | 148526622 |
| D | Net increase (decrease) in cash and cash equivalents | 2003077 | 576301 |
| E | Cash and Cash Equivalent at the begning of the year | 1378808 | 802507 |
| F | Cash and Cash Equivalent at the end of the year | 3381885 | 1378808 |

For Ravindra Jyoti Agarwal & Co.
Chartered Accountants
F.R. No: 003569C

By order of the Board
for **Rathi Bars Limited**

Sd/-
Sameer Jain
Partner
Membership No. 512653

Sd/-
Anurag Rathi
(Whole Time Director and CFO)
DIN No: 00063345

Sd/-
Kamlesh Kumar Rathi
(Managing Director)
DIN No: 00112321

Place : New Delhi
Date : 25/07/2020

RATHI BARS LIMITED

NOTE-1

General Information

Rathi Bars Limited, a steel rolling mill, was set-up at Khushkhera, Distt. Alwar, Rajasthan with a view to meet the growing requirement of reinforcement steel bars for construction. The company is engaged in the manufacturing of reinforcement steel bars (TMT) & Low Carbon Billets.

NOTE-2

BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation, Measurement :

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Accounting:

These financial statements have been prepared under the historical cost convention on the accrual basis. The financial statements are presented in Indian Rupees which is the Company's functional and presentation currency.

b. Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenues on sale of products, net of discounts, rebates granted, returns, GST and duties when the products are delivered to customer or when delivered to a carrier, which is when significant risks and rewards of ownership pass to the customer. Revenue from sale of by-products are included in revenue.

c. Property, Plant & Equipment:

On transition to Ind AS, the Company has adopted optional exception under Ind AS 101 to measure Property, Plant and Equipment at carrying value under previous GAAP. Consequently the carrying value has been assumed to be deemed cost of Property, Plant and Equipment on the date of transition.

Subsequently Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Costs include costs of acquisitions or constructions including incidental expenses thereto, borrowing costs, and other attributable costs of bringing the asset to its working condition for its intended use and are net of available duty/tax credits.

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

Capital work-in-progress:

Expenditure related to and incurred on implementation of new/expansion-cum-modernisation and up gradation of projects is included under capital work-in-progress until the relevant assets are ready for its intended use.

Intangible Assets :

Intangible assets as defined IND AS 38, are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. The useful lives of intangible assets are assessed as either finite or indefinite.

d. Depreciation:

Depreciation is systematically allocated over the useful life of an asset as specified in Part C of Schedule II of Companies Act, 2013.

e. Financial Assets & Financial Liabilities:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument

f. Inventories:

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Costs of inventories are determined on weighted average basis.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

g. Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

h. Cash and Cash Equivalents:

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

i. Retirement and other Employee Benefits:

i) Defined Contribution Plan

The company makes defined contribution to provident fund which is recognized in the profit & loss account on accrual basis.

ii) Defined Benefit Plan

The company's liabilities under payment of Gratuity Act is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

j. Taxation:

- i) Tax expense comprises of current and deferred tax.
- ii) Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.
- iii) The deferred tax for timing difference between the books and taxable Income for the year is accounted for, using the tax rates and laws have been substantively enacted as on the balance sheet date. Deferred tax assets arising from timing difference are recognized to the extent there is reasonable certainty that these would be realized in future.
- iv) Deferred tax assets in case of unabsorbed losses and unabsorbed depreciation are recognized only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits

k. Contingent Liabilities:

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2. Notes on Accounts:

- a. The Company has provided liabilities on account of Defined Benefit Obligation on the basis of actuarial valuation as given by actuarial valuer, detailed disclosure in terms of Ind AS 19 (Revised) could not be made. However, in the opinion of the management, the amount is not material and defined benefit obligation has been provided.

b. Current Liabilities & Provisions:

- i) Sundry creditors includes Rs 2.69 lacs (31st March, 2019: Rs 5.84 lacs) due to Small Scale Industrial Undertakings (SSI Units) as identified by the Company and relied upon by the auditors.
- ii) The company has not received few intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and thus accordingly disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have been provided.

c. Payment to Auditors in respect of:

| | Year ended on 31st March, 2020 | Year ended on 31st March, 2019 |
|--------------------------|--|--|
| A Audit Fees | Rs 1,00,000.00 | Rs 1,00,000.00 |
| B Fee for Limited Review | Rs 15,000.00 | Rs 15,000.00 |
| C Out of Pocket Expenses | Rs 10,000.00 | Rs 10,000.00 |

d. Expenditure in Foreign Currency:

| | Year ended on 31 st March, 2020 | Year ended on 31 st March, 2019 |
|-------------------|---|---|
| Store & Spares | ---- | ---- |
| Tour & Travelling | Rs. 12,80,365.00 | Rs. 29,05,247.00 |

e. Related Party disclosure, as required in IND AS 24 :

All the transaction between all related parties are on arm length price and in due course of normal business.

List of Related Parties and relationship:

1. Key Managerial Person:

- Kamlesh Kumar Rathi (Managing Director)
- Sonali Arora (Company Secretary till 30-06-2019)
- Amit Mangla (Company Secretary till 20-03-2020)

2. Close members of Key Managerial Person:

- Pushpa Rathi
- Vanshika Rathi
- Parnika Rathi
- Devanshi Rathi
- Manvi Rathi

3. Enterprises over which Key Management Personnel and their relatives exercise significant influence and with whom transactions have taken place during the year.

- Rathi Special Steels Ltd
- Bhiwadi iron Pvt Ltd
- Khushkhera Steels Pvt Ltd
- Balaji Steel Enterprises

Transaction with Related Parties :

| Description | Rs in Lacs | | | | | |
|------------------------------|--------------------------|---------|---------------------------------|---------|--|-----------|
| | Key Management Personnel | | Close Family Members (relative) | | Enterprises controlled by key management personnel & their relatives | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Purchase of goods | - | - | - | - | 23677.93 | 18,927.43 |
| Sale of goods | - | - | - | - | 2098.24 | 4,452.84 |
| Expense of service received | 106.79 | 167.56 | - | - | 2.01 | - |
| Income from service rendered | - | - | - | - | 11.20 | 7.43 |
| Remuneration paid | 3.32 | 2.40 | 106.00 | 83.10 | - | - |
| Training & Development | - | - | 76.66 | 90.80 | - | - |

f. Earning Per Share (EPS):

| | Year ended on 31st March, 2020 |
|--|--|
| i Profit after taxation as per Profit and Loss Account (in Rs) | 2,72,09,969.00 |
| ii Weighted Average number of equity shares outstanding | 1,63,30,357.00 |
| iii Basic and Diluted earnings per share (in Rs) | 1.67 |

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

| <u>Particulars</u> | <u>As on 31.03.2020 (Amt. in Rs)</u> | <u>As on 31.03.2019 (Amt. in Rs)</u> |
|--|---|---|
| Depreciation | 5,32,27,723 | 4,76,13,082 |
| Carried Forward unabsorbed depreciation & Losses | (25,86,188) | (25,86,168) |
| | <hr/> 4,06,41,535 | <hr/> 4,50,26,894 |

h. The fair market value in respect of quoted shares as on 31-03-2020 Rs.15,02,992/- The Market Value of the shares which are not found quoted on the stock exchange as on 31-03-2020 are not known, hence the value of the total investment Rs. 46,68,852/- stated in the financial results is considered fair market value.

i. Contingent liabilities not provided for:

Claims against the Company not acknowledged as debts (to the extent ascertained) in respect of various demands including Penalty etc. raised, which in the opinion of the management are not tenable are under appeal at various stages:

| | Year ended on 31st March, 2020 | Year ended on 31st March, 2019 |
|--------------------|--|--|
| Income Tax Matters | Rs. 162.64 Lacs | Rs. 162.64 Lacs |

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

RATHI BARS LIMITED

3. QUANTITATIVE INFORMATION :

A. PRODUCTION & PURCHASE

| Particulars | As at | | As at | |
|---------------------------------|---------------------|----------------------|----------------------|--|
| | 31.03.2020 | | 31.03.2019 | |
| 1. Licensed Capacity | Steel Bars | 100000.000 MT | 100000.000 MT | |
| | Ingot / Billets | 68500.000 MT | 68500.000 MT | |
| 2. Actual Production & Purchase | | | | |
| | Steel Bars* | 101435.895 MT | 94643.430 MT | |
| | Billets / Casting** | 18882.475 MT | 58131.270 MT | |
| | TOTAL | 120318.370 MT | 152774.700 MT | |

*101435.985 M.T. Includes 32939.740M.T. Trading Purchase of Steel Bars (Previous Year: 15485.21 M.T.)
**18882.475 M.T. Includes 4147.995 M.T. Trading Purchase (Previous Year 1886.470 M.T.)

B. STOCKS

| Particulars | Opening Stock | | | | Closing Stock | | | |
|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| | As at 01.04.2019 | | As at 01.04.2018 | | As at 31.03.2020 | | As at 31.03.2019 | |
| | QTY. (in MT) | AMOUNT (in Rs) | QTY. (in MT) | AMOUNT (in Rs) | QTY. (in MT) | AMOUNT (in Rs) | QTY. (in MT) | AMOUNT (in Rs) |
| Steel Bars | 1946.610 | 75515374 | 799.860 | 27380008 | 2252.265 | 79221169 | 1946.610 | 75515374 |
| Billets / Casting | 119.685 | 4144452 | 70.975 | 2098447 | 0.000 | 0 | 119.685 | 4144452 |
| TOTAL | 2066.295 | 79659826 | 870.835 | 29478455 | 2252.265 | 79221169 | 2066.295 | 79659826 |

C. DESPATCH

| Particulars | As at 31.03.2020 | | As at 31.03.2019 | |
|-----------------------|-------------------|-------------------|-------------------|-------------------|
| | QTY. (in MT) | AMOUNT (in Rs) | QTY. (in MT) | AMOUNT (in Rs) |
| Steel Bars* | 101130.240 | 3618502885 | 93496.680 | 3719638550 |
| Billets / Casting** | 19002.160 | 133969898 | 58082.560 | 118676232 |
| Scrap, Commission etc | | 77577607 | | 257009296 |
| TOTAL | 120132.400 | 3830050390 | 151579.240 | 4095324078 |

*101130.240 M.T. Includes 32967.920 M.T. Trading Sale of Steel Bars (Previous Year: 15456.670 M.T.)
**19002.160 M.T. Includes 14393.975 M.T. Used For Capative Consumption (Previous Year: 54708.360 M.T.)

RATHI BARS LIMITED

D. CONSUMPTION

| Particulars | As at 31.03.2020 | | As at 31.03.2019 | |
|---------------------|------------------|-------------------|-------------------|-------------------|
| | QTY. (in MT) | AMOUNT (in Rs) | QTY. (in MT) | AMOUNT (in Rs) |
| Ingots / Billets* | 72107.375 | 1693471210 | 81339.580 | 960879788 |
| Scrap/Sponge Iron** | 15549.610 | 440704334 | 60526.030 | 1609575818 |
| Stores & Spares | | 58669189 | | 54728885 |
| TOTAL | 87656.985 | 2192844733 | 141865.610 | 2625184491 |

Note : All Raw Material, Stores & Spares.

* 72107.375 MT Includes 14443.975 MT used as captive consumption (Previous Year 54708.360 MT)

**15549.610 MT Includes 265.000 MT used as captive consumption (Previous Year 1212.390 MT)

As per our report of even date attached

For Ravindra Jyoti Agarwal & Co.

Chartered Accountants

F.R. No: 003569C

For and on behalf of the Board of Directors

Sd/-

Sameer Jain

Partner

Membership No. 512653

Sd/-

Anurag Rath

(Whole Time Director and CFO)

DIN No: 00063345

Sd/-

Kamlesh Kumar Rath

(Managing Director)

DIN No: 00112321

Place : New Delhi

Date : 25/07/2020

RATHI BARS LIMITED

Note-3

Non Current Assets - Property, plant and equipment

| Particulars | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | |
|-------------------|---------------------------|----------------|----------------|---------------------------|---------------------------|----------------|-----------------|---------------------------|---------------------------|---------------------------|
| | As at 01.04.2019 Rs | Addition Rs | Deletion Rs | As at 31.03.2020 Rs | Up to 31.03.2019 Rs | Addition Rs | Deduction Rs | Up to 31.03.2020 Rs | As at 31.03.2020 Rs | As at 31.03.2019 Rs |
| Leashold Land | 39,21,141 | | | 39,21,141 | - | | | - | 39,21,141 | 39,21,141 |
| Building | 4,43,63,941 | | | 4,43,63,941 | 2,97,47,799 | 17,26,667 | | 3,14,74,466 | 1,28,89,475 | 1,46,16,142 |
| Plant & Machinery | 70,11,06,876 | 6,52,47,821 | | 76,63,54,697 | 36,29,41,529 | 5,01,66,596 | | 41,31,08,125 | 35,32,46,572 | 33,81,65,346 |
| Tubewell | 2,22,080 | | | 2,22,080 | 2,10,974 | - | | 2,10,974 | 11,106 | 11,106 |
| Furniture | 16,70,296 | 6,70,823 | | 23,41,119 | 11,06,579 | 2,50,097 | | 13,56,676 | 9,84,443 | 5,63,717 |
| Vehicle | 2,04,47,574 | 1,19,68,002 | | 3,24,15,576 | 1,39,72,835 | 50,91,032 | | 1,90,63,867 | 1,33,51,709 | 64,74,739 |
| CWIP | 77,17,31,908 | 7,78,86,646 | | 84,96,18,554 | 40,79,79,716 | 5,72,34,392 | | 46,52,14,108 | 38,44,04,446 | 36,37,52,191 |
| Total | 9,86,68,319 | 9,56,94,253 | 6,37,20,934 | 13,06,41,638 | - | - | | - | 13,06,41,638 | 9,86,68,319 |
| Previous Year | 87,04,00,227 | 17,35,80,899 | 6,37,20,934 | 98,02,60,192 | 40,79,79,716 | 5,72,34,392 | | 46,52,14,108 | 51,50,46,084 | 46,24,20,510 |
| | 74,92,69,091 | 28,60,39,792 | 16,49,08,656 | 87,04,00,227 | 38,21,92,004 | 4,51,82,783 | 1,93,95,071 | 40,79,79,716 | 46,24,20,511 | 36,70,77,087 |

RATHI BARS LIMITED

Note (4)

Non-Curent Assets - Financial Assets - Investments

| Particulars | As at 31 March,2020 | As at 31 March,2019 |
|------------------------------|---------------------|---------------------|
| | Rs | Rs |
| Investment | | |
| Equity shares | 46,68,852 | 46,68,852 |
| Govt. Securities | | |
| National Saving Certificates | 6,045 | 6,045 |
| | <u>46,74,897</u> | <u>46,74,897</u> |

Note (5)

Non Current Assets - Other non-current assets - Investment in Gold / Silver

| Particulars | As at 31 March,2020 | As at 31 March,2019 |
|---------------------------------|---------------------|---------------------|
| | Rs | Rs |
| Other non-current assets | | |
| Investment in Gold / Silver | 14,67,675 | 10,58,755 |
| | <u>14,67,675</u> | <u>10,58,755</u> |

Note (6)

Current Assets - Inventories

| Particulars | As at 31 March,2020 | As at 31 March,2019 |
|--------------------|---------------------|---------------------|
| | Rs | Rs |
| Inventories | | |
| Finished goods | 7,92,21,169 | 7,96,59,826 |
| Raw material | 2,03,65,002 | 2,09,40,204 |
| Stores & spares | 2,32,36,067 | 1,84,71,487 |
| Coal | 53,55,067 | 55,50,677 |
| Scrap | 52,94,060 | 21,79,968 |
| | <u>13,34,71,365</u> | <u>12,68,02,162</u> |

RATHI BARS LIMITED

Note (7)

Current assets - Financial Assets -Trade receivables

| Particulars | As at 31 March,2020 | As at 31 March,2019 |
|--|---------------------|---------------------|
| | Rs | Rs |
| Trade receivables (Unsecured and considered good unless stated otherwise) | | |
| Outstanding for a period exceeding six months from the due date | 2,03,01,610 | 2,45,39,194 |
| Other receivables | 56,63,52,699 | 47,25,61,114 |
| | 58,66,54,309 | 49,71,00,308 |

Note (8)

Current assets - Financial Assets -Cash and cash equivalents

| Particulars | As at 31 March,2020 | As at 31 March,2019 |
|---|---------------------|---------------------|
| | Rs | Rs |
| Cash and cash equivalents | | |
| a Cash in hand | 33,56,012 | 13,40,687 |
| b Balances with scheduled banks in current accounts in current account | 25,873 | 38,122 |
| | 33,81,885 | 13,78,809 |

Note (9)

Current assets - Financial Assets -Loans and advances

| Particulars | As at 31 March,2020 | As at 31 March,2019 |
|--|---------------------|---------------------|
| | Rs | Rs |
| Loans and advances (Unsecured and considered good unless stated otherwise). | | |
| a Advance recoverable in cash or in kind | 11,36,81,212 | 10,53,03,117 |
| b Balance with excise and other statutory authorities | | |
| Advance Tax & TDS | 23,42,100 | 30,35,538 |
| Excise Duty Recoverable | 1,91,95,777 | 1,91,95,777 |
| Service Tax credit receivable | 1,26,058 | 1,26,058 |
| MAT Credit Entitlement | 48,61,961 | 68,37,647 |
| VAT Credit Receivable | 49,75,552 | 49,75,552 |
| GST Credit Receivable | 25,14,196 | 4,37,215 |
| c Security deposits | 3,47,94,802 | 3,02,53,469 |
| | 18,24,91,658 | 17,01,64,373 |

Note (10)

Current assets - Financial Assets -Other Current Assets

| Particulars | As at 31 March,2020 | As at 31 March,2019 |
|-----------------------------|---------------------|---------------------|
| | Rs | Rs |
| Other Current Assets | | |
| Insurance Claim Recoverable | 28,26,149 | 28,26,149 |
| Prepaid expenses | 7,82,576 | 7,53,869 |
| | 36,08,725 | 35,80,018 |

RATHI BARS LIMITED

Note (11)

Equity - Equity Share Capital

| Particulars | As at 31 March,2020 | As at 31 March,2019 |
|---|---------------------|---------------------|
| | Rs | Rs |
| (a) Authorised Share Capital | | |
| 1,80,00,000 Equity Shares of Rs 10 each (Previous Year : 1,80,00,000 Equity Shares of Rs10 each) | 18,00,00,000 | 18,00,00,000 |
| (b) Issued, Subscribed & Paid-up | | |
| 1,63,30,357 Equity Shares (Previous Year : 1,63,30,357 Equity Shares) of Rs 10 each Called-up and Fully Paid-up. | 16,33,03,570 | 16,33,03,570 |
| | 16,33,03,570 | 16,33,03,570 |

Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of the equity share is entitled to one vote per share.

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Particulars | Percentage of Share Holding | As at 31 | No.of Shares As | Percentage of Share | No.of Shares As at 31 |
|-------------------------|-----------------------------|-------------|-------------------|------------------------------|-----------------------|
| | March, 2020 | March, 2020 | at 31 March, 2020 | Holding As at 31 March, 2019 | March, 2019 |
| Equity shares | | | | | |
| Sh. Anurag Rathi | 7.45% | | 1216751 | 7.45% | 1216751 |
| Smt. Parnika Rathi | 6.05% | | 988109 | 6.05% | 988109 |
| Sh. Kamlesh Kumar Rathi | 5.01% | | 818387 | 5.01% | 818387 |
| Sh. Uddhav rathi | 5.26% | | 859330 | 5.26% | 859330 |
| | | | 3882577 | | 3882577 |

Note (12)

Equity - Other Equity

| Particulars | As at 31 March,2020 | As at 31 March,2019 |
|---------------------------------------|---------------------|---------------------|
| | Rs | Rs |
| Other Equity | | |
| a Profit & loss account | | |
| Opening Balance | 45,65,47,893 | 43,36,20,787 |
| Add- Surplus as per Profit & loss A/C | 2,72,09,969 | 1,87,38,649 |
| | 48,37,57,862 | 45,23,59,436 |
| Add- MAT Credit | (19,75,686) | 41,88,457 |
| | 48,17,82,176 | 45,65,47,893 |
| b Securities Premium Account | 17,85,71,425 | 17,85,71,425 |
| | 66,03,53,601 | 63,51,19,318 |

Note (13)

Non Current Liabilities - Financial Liabilities - Borrowings

| Particulars | As at 31 March,2020 | As at 31 March,2019 |
|--|---------------------|---------------------|
| | Rs | Rs |
| Borrowings | | |
| a Term Loan | | |
| HDFC Bank Ltd., New Delhi.(Against Equitable Mortgage of land & Building, Exclusive Charge on Plant & Machineries & guaranteed by Executive Directors) | 3,97,80,000 | 5,20,20,000 |
| b Automobile Loans (Secured by Hypothecation of relevent Vehicle) | | |
| HDFC Bank | 51,42,475 | 44,86,329 |
| Kotak Mahindra Prime Ltd. | - | 3,23,290 |
| BMW India Financial Services Pvt. Ltd. | 44,23,250 | - |
| Daimler Financial Services India Pvt. Ltd. | 43,17,466 | - |
| | 5,36,63,191 | 5,68,29,619 |

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Note (14)

Non Current Liabilities -Provisions

| Particulars | As at 31 March,2020 | As at 31 March,2019 |
|--------------------------------|---------------------|---------------------|
| | Rs | Rs |
| Provisions | | |
| Provision for Leave Encashment | 11,17,385 | 2,04,017 |
| Provision for Gratuity | 34,42,360 | 39,687 |
| | 45,59,745 | 2,43,704 |

Note (15)

Current Liabilities - Financial Liabilities -Borrowings

| Particulars | As at 31 March,2020 | As at 31 March,2019 |
|--|---------------------|---------------------|
| | Rs | Rs |
| Borrowings | | |
| a Working Capital Limits | | |
| HDFC Bank Ltd. (Secured by hypothecation of stock & Book debts and Guaranteed by Executive Directors) | 32,92,53,976 | 21,99,03,501 |
| b Term Loan | | |
| i HDFC Bank Ltd., New Delhi.(Against Equitable Mortgage of land & Building, Exclusive Charge on Plant & Machineries & guaranteed by Executive Directors) | 1,22,40,000 | 91,80,000 |
| ii HDFC Bank Ltd., New Delhi.(Against Credit Card) | 1,02,69,320 | |
| c Automobile Loans (Secured by Hypothecation of relevent Vehicle) | | |
| Kotak Mahindra Prime Ltd. | 323290 | 161295 |
| HDFC Bank (Auto Loan) | 1492597 | 955393 |
| SBI (Formerly known as SBBJ) Car Loan A/c | - | 154064 |
| Daimler Financial Services India Pvt. Ltd. | 584187 | - |
| BMW India Financial Services Pvt. Ltd. | 774096 | 112031 |
| | 35,49,37,466 | 23,04,66,284 |

Note (16)

Current Liabilities - Financial Liabilities - Trade payables

| Particulars | As at 31 March,2020 | As at 31 March,2019 |
|--|---------------------|---------------------|
| | Rs | Rs |
| Trade payables | | |
| a Due to Micro and Small Enterprises (See Notes on Accounts- , Note-2, item 3b (i)) | 2,68,708 | 5,84,496 |
| b Due to Others | 11,45,94,702 | 10,32,01,158 |
| | 11,48,63,410 | 10,37,85,654 |

RATHI BARS LIMITED

Note (17)

Current Liabilities - Other current liabilities

| Particulars | As at 31 March,2020 | As at 31 March,2019 |
|--|---------------------|---------------------|
| | Rs | Rs |
| Other current liabilities | | |
| Advance received from customers | 1,01,04,374 | 49,81,218 |
| Statutory dues (including provident fund and tax deducted at source) | 1,21,65,651 | 1,58,64,456 |
| Other payables (including employee dues & Dues with in one year) | 1,57,10,034 | 78,35,572 |
| | 3,79,80,059 | 2,86,81,246 |

Note (18)

Current Liabilities - Provisions

| Particulars | As at 31 March,2020 | As at 31 March,2019 |
|--------------------------------|---------------------|---------------------|
| | Rs | Rs |
| Provisions | | |
| Provision for Leave Encashment | 2,16,346 | 16,17,495 |
| Provision for Gratuity | 2,77,675 | 21,06,049 |
| | 4,94,021 | 37,23,544 |

Note (19)

Revenue - Revenue from operations (Including excise duty)

| Particulars | Year | Year |
|--|-----------------------|-----------------------|
| | 2019-20 | 2018-19 |
| | Rs | Rs |
| Revenue from operations (Including excise duty) | | |
| Sale of Steel Bars | 3,61,85,02,885 | 3,71,96,38,550 |
| Sale of Billets / Casting | 13,39,69,898 | 11,86,76,232 |
| Other operating revenues | 7,75,77,607 | 25,70,09,296 |
| | 3,83,00,50,390 | 4,09,53,24,078 |

Note (20)

Revenue - Other Income

| Particulars | Year | Year |
|-------------------------------|------------------|------------------|
| | 2019-20 | 2018-19 |
| | Rs | Rs |
| Other Income | | |
| Interest received on deposits | 18,94,489 | 18,93,979 |
| Miscellaneous Receipts | 14,13,866 | 15,77,473 |
| | 33,08,355 | 34,71,452 |

RATHI BARS LIMITED

Note (21)

Expenses - Cost of materials consumed

| Particulars | Year | |
|-----------------------------------|--------------------------------|-----------------------|
| | 2019-20 | 2018-19 |
| | Rs | Rs |
| Cost of materials consumed | | |
| a Ingots / Billets | | |
| Opening stock | - | - |
| Add: Purchases | 1,71,36,88,237 | 96,08,79,788 |
| Less: Closing stock | 2,02,17,027 | - |
| material consumed | (I) 1,69,34,71,210 | 96,08,79,788 |
| b Scrap / Sponge Iron | | |
| Opening stock | 2,09,40,204 | 5,65,84,780 |
| Add: Purchases | 41,99,12,105 | 1,57,39,31,242 |
| Less: Closing stock | 1,47,975 | 2,09,40,204 |
| material consumed | (II) 44,07,04,334 | 1,60,95,75,818 |
| Total Material Consumed | (I + II) 2,13,41,75,544 | 2,57,04,55,606 |

Note (22)

Expenses - Changes in inventories of finished goods, Work-in-progress and Stock-in-Trade

| Particulars | Year | |
|--|-----------------------------|----------------------|
| | 2019-20 | 2018-19 |
| | Rs | Rs |
| Changes in inventories | | |
| a OPENING STOCK | | |
| Finished goods | 7,96,59,826 | 2,94,78,455 |
| Scrap | 21,79,968 | 27,76,112 |
| | (I) 8,18,39,794 | 3,22,54,567 |
| b CLOSING STOCK | | |
| Finished goods | 7,92,21,169 | 7,96,59,826 |
| Scrap | 52,94,060 | 21,79,968 |
| | (II) 8,45,15,229 | 8,18,39,794 |
| c (Increase) / Decrease in stocks | (I - II) (26,75,435) | (4,95,85,227) |

Note (23)

Expenses - Employee benefits expense

| Particulars | Year | |
|--|--------------------|--------------------|
| | 2019-20 | 2018-19 |
| | Rs | Rs |
| Employee benefits expense | | |
| a contribution to provident fund and other funds | 13,54,025 | 13,71,816 |
| b Employees welfare | 33,65,265 | 35,01,248 |
| c Production contract Expenses | 3,70,20,944 | 4,75,99,608 |
| d Salaries, wages, bonus & other allowances | 5,48,75,296 | 4,35,24,464 |
| | 9,66,15,530 | 9,59,97,136 |

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Note (24)

Expenses - Finance costs

| Particulars | Year | |
|----------------------|--------------------|--------------------|
| | 2019-20 | 2018-19 |
| | Rs | Rs |
| Finance costs | | |
| Interest on : | | |
| Cash Credit | 2,67,94,841 | 1,39,43,787 |
| Term Loan | 72,13,881 | 8,06,028 |
| Others | 1,79,198 | 1,21,933 |
| Bank Charges | 10,38,806 | 5,10,293 |
| | 3,52,26,726 | 1,53,82,041 |

Note (25)

Expenses - Other expenses

| Particulars | Year | |
|----------------------------------|---------------------|---------------------|
| | 2019-20 | 2018-19 |
| | Rs | Rs |
| Other expenses | | |
| Administrative charges | 50,297 | 53,250 |
| Advertisement & Selling Expenses | 2,39,373 | 4,50,903 |
| Auditor's fees | 1,00,000 | 1,00,000 |
| Books & periodicals | 9,875 | 6,999 |
| Corporate Social responsibility | 2,62,200 | 7,03,500 |
| Freight & cartage | 75,56,545 | 2,63,74,965 |
| General expenses | 18,39,852 | 17,06,643 |
| Generator Running Expenses | 86,015 | 77,448 |
| Insurance | 17,64,362 | 19,97,562 |
| Legal & professional charges | 78,67,815 | 44,37,885 |
| Listing Expenses | 93,587 | 2,95,000 |
| Loss on sale of Fixed Assets | - | 4,52,238 |
| Postage expenses | 66,860 | 1,57,232 |
| Power and Fuel | 17,74,35,856 | 36,43,44,976 |
| Printing & stationery | 5,01,859 | 4,63,785 |
| Rates, taxes & fees | 26,85,995 | 12,85,313 |
| Rent | 93,30,650 | 1,42,79,200 |
| Repair and Maintenance: | | |
| Plant & Machinery | 11,79,716 | 62,70,169 |
| Buildings | 38,602 | 4,98,223 |
| Others | 19,92,924 | 8,44,028 |
| Sales Promotion | 8,83,179 | 62,04,328 |
| Security service charges | 10,32,173 | 9,12,573 |
| Stores and Spares Consumed | 5,86,69,189 | 5,47,28,885 |
| Telephone expenses | 6,15,399 | 7,98,728 |
| Travelling & conveyance | 66,03,592 | 55,88,949 |
| Vehicles repair & maintenance | 26,33,466 | 33,30,008 |
| | 28,35,39,381 | 49,63,62,790 |