

*A Trusted Name in Welding*



# RASI ELECTRODES LTD.,

**AN ISO 9001:2008 CERTIFIED COMPANY**

MANUFACTURERS OF SMAW ELECTRODES,  
WIRES (CO<sub>2</sub> & EL-8) & MARKETERS OF  
WELDING CONSUMABLES AND EQUIPMENTS



## Range of Products from RASI



MMAW Welding  
Electrodes  
Conventional & LHIP  
Electrodes



S.A.W. Wire & Flux



Welding Equipment  
All Ranges



TUNGSTEN  
ELECTRODE  
FOR TIG WELDING



MIG / MAG (CO<sub>2</sub>) WIRES  
Flux Cored Wires,  
And TIG WIRES Etc.,



Natural Rutile Ore



POWER TOOLS



Grinding &  
Cut Off Wheels



Filler Wire for TIG Welding



### RASI ELECTRODES LIMITED.,

21, Raja Annamalai Road, Flat No. A/14, Rams Apartments, Purasawalkam, Chennai - 600 084  
Customer Care: 044-2640 1822 Fax: 044-4202 7464

E Mail: [info@rasielectrodes.com](mailto:info@rasielectrodes.com) Web: [rasielectrodes.com](http://rasielectrodes.com)

## Twenty Fourth Annual Report 2017 - 2018



**RASI ELECTRODES LIMITED**  
**CIN: L52599TN1994PLC026980**

**BOARD OF DIRECTORS**

Mr.B.Ranjit Kumar Kothari, Chairman (DIN:01560805)  
Mr.B.Popatlal Kothari, Managing Director (DIN: 00594168)  
Mr Hitesh M Dharamshi, Director (DIN: 00207799)  
Mr Ajay Goyal, Director (DIN: 00513570)  
Mr N Prakash Kumar, Director (DIN:01735537)  
Mrs Payal Jain, Director (DIN:07181548)

**CHIEF FINANCIAL OFFICER**

Mr KASHYAP KOTHARI

**COMPANY SECRETARY**

Mrs JAGRUTI J JAIN

**AUDITORS**

M/s SURESHKUMAR & Co.,  
CHARTERED ACCOUNTANTS,  
34, Stroten Muthiah Street, II Floor,  
Chennai-600079,

**BANKERS**

Dena Bank  
ICICI Bank

**REGISTERED OFFICE**

Rams Apartments, Flat A-14,  
21, Raja Annamalai Road,  
Purasawalkam,  
Chennai - 600 084.

**FACTORY**

Upparapalayam Village, Alamathi Post,  
Redhills, Chennai - 600 052.

(Members are requested to bring their copies of the Annual Report to the meeting)  
**(No Gifts will be given at the AGM)**

**RASI ELECTRODES LIMITED**  
**CIN: L52599TN1994PLC026980**  
**NOTICE**

To,  
The Shareholder,

NOTICE is hereby given that the 24<sup>th</sup> Annual General Meeting of the Company will be held at 9.30 A.M. on WEDNESDAY, the 26th September, 2018 at **G.K.PARTY HALL, No.12/13, Sivananda Nagar, 200 Feet Road, Kolathur, CHENNAI-600099**, to transact the following business:

**ORDINARY BUSINESS :**

**01. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:**

“RESOLVED THAT THE Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March 2018 and the Directors' and Auditor's Report thereon, together with all the reports, statements and notes annexed thereto, be and are hereby approved and adopted.”

**02. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:**

“RESOLVED THAT Mrs PAYAL JAIN (holding DIN: 07181548), the retiring Director, be and is hereby re-elected as Director of the Company, liable for retirement by rotation.”

**SPECIAL BUSINESS:**

**03. To consider and, if thought fit, to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, read with Schedule IV of the Companies Act, 2013, and rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr HITESH M DHARAMSHI (DIN: 00207799) who holds office as an Independent Director on the Board of the Company up to the period ended 31<sup>st</sup> March 2019 be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five years from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2024.”

**04. To consider and, if thought fit, to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, read with Schedule IV of the Companies Act, 2013, and rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr K AJAY GOYAL (holding DIN: 00513570) who holds office as an as an Independent Director on the Board of the Company up to the period ended 31<sup>st</sup> March 2019 be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five years from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2024.”

**By Order of the Board**  
**for RASI ELECTRODES LIMITED**

**JAGRUTI J JAIN**  
**COMPANY SECRETARY**

**CHENNAI**  
**DATED: 14<sup>TH</sup> AUGUST 2018**

**NOTES :**

01. A member entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself and such proxy need not be a member of the Company.

02. The instrument appointing a proxy duly stamped and executed for use at the meeting must be lodged at the registered office of the Company not less than 48 hours before the time fixed for the meeting.

03. The explanatory statement required to be annexed to the notice as per the requirements of section 102 of the Companies Act, 2013, setting out all the material facts relating to special business proposed in the notice is attached.

04. Members seeking any information with regard to accounts are requested to write to the Company at least 7 days in advance of the meeting so as to enable the management to keep the information ready.

05. Members are requested to bring the copies of the Annual Report with them to the meeting. Members are also requested to bring the Attendance slip duly signed for surrendering at the venue of the meeting for recording their presence at the meeting.

06. The Register of members and Share Transfer books shall remain closed from THURSDAY, the 20<sup>TH</sup> September 2018, to WEDNESDAY, the 26<sup>th</sup> September 2018 (both days inclusive) for the purpose of the 24<sup>TH</sup> AGM scheduled to be held on 26<sup>th</sup> September 2018.

07. Shareholders holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Transfer Agents M/s Cameo Corporate Services Limited, Subramanian Building, 1, Club House Road, Chennai-600002. Shareholders holding shares in electronic form must send the advice about change in address to their respective Depository Participants and not to the Company.

08. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is no longer required pursuant to amendment made to section 139(1) of the Companies Act, 2013. In view of this no resolution is proposed for ratification of appointment of Auditors, who was appointed by the members at their 23<sup>rd</sup> Annual General Meeting held on 28<sup>th</sup> September 2017.

09. Members whose dividend has remained unpaid/unclaimed from the year 2011 onwards, are requested to write to the Company for issue of demand drafts for the same. In terms of the Investor Education and Protection Fund (IEPF) (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the required information in respect of dividend remaining unpaid/unclaimed for the last seven years (as on date of the last Annual General Meeting held on 28<sup>th</sup> September 2017) on the Company's website under the Investor Section and the same could be accessed using the following link: <http://rasielectrodes.com/investordetails.aspx?Id=CORPORATE+ANNOUNCEMENTS>

The Company is required to transfer the unclaimed or unpaid dividend declared and remaining unpaid for a period exceeding seven years to the Investor Education and Protection Fund (IEPF). Hence, the members to whom the said dividend remains unpaid or unclaimed are requested to write to the Company and claim the same by mentioning the Folio/ Dp & Client ID, name and number of shares held so that the Company could send the demand draft.

**10. SEBI has proposed that the equity shares of listed companies can be transferred only in dematerialised form from 5<sup>th</sup> December 2018 (cut-off date) In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.**

#### 11. SERVING OF NOTICE

Electronic copy of the Notice of the 24<sup>TH</sup> Annual General Meeting (24<sup>TH</sup> AGM) of the company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company / RTA / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Notice of 24<sup>TH</sup> AGM of the company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode. The notice of this meeting is also made available in the website of the company [www.rasielectrodes.com](http://www.rasielectrodes.com)

#### 12. VOTING THROUGH ELECTRONIC MEANS

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, the company is offering e-voting facility to its members in respect of the businesses to be transacted at the 24<sup>TH</sup> AGM scheduled to be held on WEDNESDAY, the September 26, 2017 at 9.30 a.m. For this purpose the company has signed an agreement with Central Depository Services (India) Ltd (CDSL) for facilitating e-voting.

The Board of Directors has appointed Mr A M GOPIKRISHNAN., a Practicing Company Secretary, as a Scrutinizer for the e-voting process. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the company and will make a scrutinizer's report of the votes cast in favour or against to the Chairman of the company. The results on the resolutions shall be declared on or after the AGM of the company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions. The results declared along with the scrutinizer's report will be available on the web site of the company ([www.rasielectrodes.com](http://www.rasielectrodes.com)) within two days of the passing of the resolutions and communication of the same to the BSE Ltd.

Please read the instructions given below before exercising the vote. This communication forms an integral part of the notice dated August 14, 2018 for the 24<sup>TH</sup> AGM.

#### The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Saturday, September 22, 2018, at 10.00.A.M. and ends on Tuesday, September 25, 2018 at 5.00.P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 19, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.

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

<b>For Members holding shares in Demat Form and Physical Form</b>	
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"> <li><input type="checkbox"/> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li><input type="checkbox"/> In Case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL Letters. Eg if your Name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li><input type="checkbox"/> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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 to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company Name i.e., RASI ELECTRODES LIMITED on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**EXPLANATORY STATEMENT ANNEXED TO THE NOTICE CONVENING THE 24<sup>TH</sup> ANNUAL GENERAL MEETING PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

The following are the material facts relating to Directors retiring by rotation and seeking re-appointment and the special business proposed in the notice:

**Item 2: DETAILS DIRECTORS RETIRING BY ROTATION SEEKING RE-APPOINTMENT**

The particulars required to be furnished under Regulation 36(3) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, relating to the Directors Mrs Payal Jain who is retiring by rotation and seeking re-appointment is furnished below:

<b>Name of the Director</b>	Mrs Payal Jain
<b>DIN</b>	07181548
<b>Date of Birth</b>	26/06/1985
<b>Qualification</b>	<b>M.A. (Fine Arts)</b>
<b>Expertise in specific functional areas</b>	She has experience in textile designing, interior decoration, art work and aesthetic designing, and public relations functions.
<b>Names of listed entities in which the person also holds the directorship and the membership of Committees of the board as on 31<sup>st</sup> March 2018</b>	Nil
<b>Shareholding as on 31<sup>st</sup> March 2018</b>	Nil
<b>Relationship with other Directors</b>	Related to Mr B Popatlal Kothari as his son's wife

**ITEM 3 & 4: RE-APPOINTMENT OF INDEPENDENT DIRECTORS**

The members of the Company have, at their 20<sup>th</sup> AGM held on 29<sup>th</sup> September 2014 appointed Mr HITESH M DHARAMSHI (holding DIN: 00207799) and Mr KAJAY GOYAL (holding DIN: 00513570) as Independent Director(s) of the Company for the period up to 31<sup>st</sup> March 2019. The Nomination and Remuneration Committee of the Board have reviewed the performance of Mr Hitesh M Dharamshi and Mr K Ajay Goyal as Independent Director(s) and recommended that they be re-appointed as an Independent Director(s) on the Board of the Company for a further period of five years for second term. The Board, based on the recommendation of the Nomination and Remuneration Committee and its own evaluation, considers the re-appointment of Mr Hitesh M Dharamshi and Mr K Ajay Goyal as Independent Director(s) would be in the interest of the Company. The Board commends their re-appointment as Independent Director(s) of the Company for a second term of five years from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2024.

Mr Hitesh M Dharamshi and Mr K Ajay Goyal as Independent Director(s) have, individually, represented that they are not disqualified from being appointed as a Director(s) in terms of Section 164 of the Act and has given their consent to act as Director.

The Company has also received individual declaration from Mr Hitesh M Dharamshi and Mr K Ajay Goyal that they meet the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mr Hitesh M Dharamshi and Mr K Ajay Goyal as Independent Director(s) fulfils the conditions for appointment as an Independent Director(s) as specified in the Act and the Listing Regulations as they are independent of the management. They shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings.

None of the Directors / Key Managerial Personnel or their relatives other than Mr Hitesh M Dharamshi and Mr K Ajay Goyal are deemed to be concerned or interested in the resolution seeking their respective re-appointment as Independent Directors.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.  
The Board commends the Special Resolution for approval by the members.

The particulars required to be furnished under Regulation 36(3) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, relating to the Independent Director(s) **Mr Hitesh M Dharamshi and Mr K Ajay Goyal proposed to be re-appointed** is furnished below:

<b>Name of the Director</b>	Mr Hitesh M Dharamshi	Mr K Ajay Goyal
<b>DIN</b>	00207799	00513570
<b>Date of Birth</b>	23/03/1975	14/10/1975
<b>Qualification</b>	B.Com., FCA.	B.Com, MBA
<b>Expertise in specific functional areas</b>	Experienced in Finance, Accounts, Audit and Capital market related activities	Experience in Trading, in FMCG Products, International Trade, Import & Export.
<b>List of other public Companies in which directorship held as on 31<sup>st</sup> March 2018</b>	Nil	KALPAVRAKSH FOOD PRODUCT PRIVATE LIMITED ROYAL PASTIFICIO (INDIA) PRIVATE LIMITED
<b>Chairman/Member of the Committees of the Boards of the other Companies in which he is a Director as on 31<sup>st</sup> March 2018</b>	Nil	Nil
<b>Shareholding as on 31<sup>st</sup> March 2018 (including holding as HUF)</b>		
<b>Relationship with other Directors</b>	Not related to any other director	Not related to any other director

By Order of the Board  
for RASI ELECTRODES LIMITED

CHENNAI  
DATED: 14<sup>th</sup> August 2018

JAGRUTI J JAIN  
COMPANY SECRETARY

**RASI ELECTRODES LIMITED**  
CIN: L52599TN1994PLC026980

**DIRECTORS' REPORT**

**Dear Shareholder,**

Your Directors have pleasure in presenting the 24<sup>th</sup> Annual Report of your Company together with the Audited Financial Statements for the year ended 31st March 2018.

**FINANCIAL RESULTS**

The Financial Performance of your Company for the year ended 31<sup>st</sup> March 2018 is summarized below:

	<b>Year Ended 31.03.2018</b> Rs.in Lakhs	<b>Year Ended 31.03.2017</b> Rs.in Lakhs
Net sales	3423.58	2684.05
Other Income	61.84	57.44
<b>Total (A)</b>	<b>3485.42</b>	<b>2741.49</b>
<b>Total Expenditure</b>	<b>3262.74</b>	<b>2468.86</b>
<b>Profit before interest &amp; depreciation</b>	<b>222.68</b>	<b>272.63</b>
Interest & financial charges	71.15	49.00
Depreciation	67.66	82.10
<b>Profit before tax</b>	<b>83.87</b>	<b>141.53</b>
Provision for tax incl tax for earlier years	31.08	52.56
Deferred tax – current	-31.88	3.80
<b>Profit after tax</b>	<b>84.67</b>	<b>85.17</b>
Other comprehensive income, net of tax	-3.18	-0.29
Total comprehensive income for the period	81.49	84.88
Profit brought forward	654.76	569.88
Balance carried to Balance sheet	<b>736.25</b>	<b>654.76</b>

**DIVIDEND AND TRANSFER TO RESERVES**

In order to conserve resources for meeting the increasing working capital requirements for the expanded business capacity of the Company, your Directors have not recommended any dividend for the year ended 31<sup>st</sup> March 2018 (previous year dividend declared Rs.nil).

Your Directors have not transferred any amount to the any Reserves out of the profits made during the year.

**MANAGEMENT DISCUSSION AND ANALYSIS**
**A. Industry structure and developments**

Your Company is operating in the Small Scale Industrial Sector having manufacturing plants for the manufacture of Arc Welding Electrodes and Copper Coated Mild Steel (CCMS) Wire used for the purpose of welding by the Engineering and Fabrication industries Your Company also trades in the entire range of welding products and accessories required by diverse industries in the heavy engineering and capital goods sector. Your Company trades by importing rutile, MIG-MAG Machine, Flux Core Wire and Flux on a regular basis. The demand for Company's products depends upon the robustness of demand in the engineering and capital goods industries in the Country.

**B. Performance**

During the year ended 31<sup>st</sup> March 2018 the overall turnover of the Company was Rs.3423.58 lakhs as against Rs 2684.05 lakhs achieved during the last year resulting in an increase in the turnover to the extent of 27.55% when compared with the previous year. The production of welding electrodes was 1404.153 MTs as against 1624.252 MTs achieved during the previous year. The production of CCMS Wire during the year ended 31<sup>st</sup> March 2018 was 2419.564 MTs as against 1709.215 MTs during the previous year.

During the year ended 31<sup>st</sup> March 2018 the profit before tax was Rs 83.87 lakhs (previous year Rs 141.53 lakhs) and after making a provision for tax amounting to Rs -0.79 lakhs (previous year Rs 56.36 lakhs) (including provision for deferred tax), the profit after tax was Rs 84.67 lacs (previous year Rs 85.17 lakhs). The Profit after tax has decreased by 0.59% during the year ended 31<sup>st</sup> March 2018 when compared to the previous year. Your Company has adopted Ind As Accounting standards for the first time during the year ended 31<sup>st</sup> March 2018 (with transition date as 1<sup>st</sup> April 2016) and has presented its financial statements for the year ended 31<sup>st</sup> March 2018 as per the requirements of Companies (Indian Accounting Standards) Rules, 2015. An amount of Rs -3.17 lakhs (previous year Rs.-0.29 lakhs) have been recognized as other comprehensive income (net of taxes) during the year ended 31<sup>st</sup> March 2018 arising due to transition to Ind As. The net profit was adversely impacted during the year ended 31<sup>st</sup> March 2018 due to recognition of investment loss amounting to Rs.61.54 lakhs due to fair value computation and additional provision towards gratuity amounting to Rs.10.09 lakhs as per revised actuarial valuation as required under Ind As Accounting standards.



The Company continues to comply with the certification requirements of Det Norske Veritas Management System conforming to Quality Management System Standard ISO 9001:2008 for its manufacturing facility at Redhills, Chennai.

### **C. Segmentwise performance**

Your company operates in the single segment i.e., manufacture and marketing of welding electrodes and as such the discussion of segment-wise performance is not applicable.

### **D. Concerns**

The prospects of the company is closely connected with the performance of the capital goods sector. The infrastructure is yet to pick up growth traction despite growth in the other sectors of the economy. It is expected that with the expected growth in capex cycle, the demand for the company's product will improve.

### **E. Prospects and Outlook**

The welding electrodes industry is undergoing a structural change whereby the demand for Arc welding electrodes is continuously declining and the demand for the new generation CCMS wire products for welding is ever increasing. Anticipating the structural change, your Company has augmented the capacity of CCMS welding wire products to cater to the changed market requirements.

Your Company consolidated its brand image in the market and was able to gain market share. The CCMS Wire product produced by your Company has also received good response among the user industries. With a strong brand image, your company's product enjoys loyal patronage in the user market.

### **F. Internal control systems**

Your company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition.

### **G. Human resources and industrial relations**

Your Company has well qualified and experienced technical, financial and administrative staff to cater to its business requirements. The relations with the employees of the company remained cordial throughout the year.

### **CREDIT RATING**

Your Directors take pleasure in informing that your Company has been rated by NSIC-CRISIL Performance and Credit Rating for MSMEs and they have awarded your Company with rating of 'MSE 2' which indicates 'High credit worthiness in relation to other MSEs'.

### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

Your Company does not have any subsidiary, joint venture or associate companies.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors state that:

- i. in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a 'going concern' basis;
- v. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **CORPORATE GOVERNANCE**

Your Company has complied with all the material requirements of Corporate Governance prescribed under Securities & Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance as required under regulation 34(3) read along with Schedule V of the said regulation is annexed and it forms part of this report.

## **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

During the year, the Company had not entered into any contract, arrangement or transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board was put up on the website of the Company at [www.rasielectrodes.com](http://www.rasielectrodes.com) and it is also furnished in the Corporate Governance Report.

Your Directors draw attention of the members to Note 26.4 to the financial statement which sets out related party disclosures.

## **RISK MANAGEMENT**

Your Company has adequate risk management infrastructure in place capable of addressing risks faced by the company both internal and external. Your Company is not required to constitute a separate Risk Management Committee.

## **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, no reportable material weakness have surfaced with regard to those internal controls in place.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of Directors of the Company is duly constituted as per the requirements of section 149 of the Companies Act, 2013, and SEBI (LODR) Regulations, 2015. During the year, there has been no change in the overall composition of the Board of Directors of the Company.

The Independent Directors Mr Hitesh M Dharamshi, Mr Ajay Goyal and Mr N Prakash Kumar shall be holding office up to 31<sup>st</sup> March 2019. The Nomination and Remuneration Committee of the Board have reviewed the performance of Mr Hitesh M Dharamshi and Mr K Ajay Goyal as Independent Director(s) and recommended that they be re-appointed as an Independent Director(s) on the Board of the Company for a further period of five years for second term. Your Directors have, taking into consideration the recommendation of the Nomination and Remuneration Committee and also the constructive role played by the Independent Directors and vast and varied experience, is of the opinion that the re-appointment of Mr Hitesh M Dharamshi and Mr K Ajay Goyal as Independent Director(s) would be in the interest of the Company. The Board commends their re-appointment as Independent Director(s) of the Company for a second term of five years from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2024.

Your Director Mrs Payal Jain retires by rotation at the ensuing Annual General meeting and being eligible is offering herself for re-appointment.

The Company has in place all the KMPs required to be appointed u/s 203 of the Companies Act, 2013. Mr B Popatlal Kothari is the Managing Director & Chief Executive Officer, Mr Kashyap Kothari is the Chief Financial Officer and Mrs Jagruti J Jain is the Company Secretary.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

A familiarisation program was conducted on 13<sup>th</sup> February 2018 for the Independent Directors wherein the roles, rights, responsibilities of the Independent Directors, the business model of the company and the industry related developments was appraised and presented to them. All the Directors attended the Familiarisation programme. The details of the familiarization program conducted for Independent Directors has also been uploaded at the website of the Company at [www.rasielectrodes.com](http://www.rasielectrodes.com),

The Company has formulated Policy for selection of Directors and determining Directors independence, Remuneration Policy for Directors, Key Managerial Personnel and other employees which has been put up on the website of the Company at [www.rasielectrodes.com](http://www.rasielectrodes.com).

## **EMPLOYEES STOCK OPTION SCHEME**

The Company has not formulated any Employees Stock Option scheme.

## **AUDITORS & AUDITORS REPORT**

### **Statutory Auditor**

The report of the Statutory Auditors M/s SURESHKUMAR & Co., Chartered Accountants, Chennai, is annexed to this report. The Auditors have issued an un-modified opinion on the Financial Statements audited by them for the year ended 31<sup>st</sup> March 2018.

**Secretarial Auditor**

The Board has appointed Mr A M Gopikrishnan, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed to this report.

**Internal Auditor**

Mr G Mahavirchand Kochar, Independent Practicing Chartered Accountant is the Internal Auditor of the Company as required under section 138 of the Companies Act, 2013. The Internal Auditor reports to the Audit Committee and the periodical reports submitted by him are reviewed by the Audit Committee and the Board. No adverse findings were reported by the Internal Auditor during the year.

**DISCLOSURES****Corporate Social Responsibility**

Your Company is not falling within the financial criteria laid down under section 135(1) of the Companies Act, 2013, and as such is not under obligation constitute Corporate Social Responsibility committee and undertake CSR activities.

**Audit committee**

The Audit Committee comprises of two Independent Director and one Non-Independent Director and as such the composition requirements prescribed under section 177 of the Companies Act, 2013 and the SEBI (LODR) Regulations is satisfied. All the recommendations made by the Audit Committee during the year have been accepted by the Board.

**Vigil Mechanism**

The Company has put in place a vigil mechanism in order to facilitate Directors and Employees to report on genuine concerns. The Whistle Blower policy adopted by the Company and the Vigil Mechanism as a part of the said policy has been put up on the website of the Company at [www.rasielectrodes.com](http://www.rasielectrodes.com).

**Meetings of Board**

During the year SEVEN meetings of the Board of Directors were held. The dates on which the Board meetings were held and the attendance of the Directors therein is furnished in the Corporate Governance Report.

**Particulars of Loans given, Investments made, Guarantees given and securities provided.**

The particulars of Loans given, investments made and the purpose for which the loan given is proposed to be utilized by the recipient is furnished in Note:26.6 to the financial statements.

The Company has not given any guarantees and has not provided any security during the year.

**Conservation of energy, technology absorption, foreign exchange earnings and outgo.**

As required under the Provisions of Sec. 134(3)(m) of the Companies Act 2013, information relating to Conservation of energy, technology absorption, and foreign exchange earnings and outgo is annexed to this report.

**Extract of Annual Return**

The extract of Annual Return as on 31<sup>st</sup> March 2018 in the prescribed Form MGT9 is annexed to this report.

**Particulars of Employees and related disclosures**

In terms of the requirements of Section 197(12) of the Companies Act, 2013, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Directors wish to state that none of the employees are drawing remuneration in excess of the limits set out in the said rules.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this report.

**Employees Stock Option Scheme**

The Company has not formulated any Employees Stock Option scheme.

**Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The Company has in place Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company has not received any complaints under the said Act during the year.

**General**

Your Directors do not have anything to report or disclose on the following items since there were no transaction relating to them during the year:

- i. No deposits were accepted attracting the provisions of section 73 – 76 of the Companies Act, 2013.
- ii. The Company has not issued any equity shares during the year with differential rights as to dividend, voting or otherwise.
- iii. The Company has not issued any shares (including sweat equity shares) to any of its employees during the year.
- iv. The Company does not have any subsidiary, Joint venture or associate companies and as such the Managing Director / Whole time Directors receiving any remuneration from such companies does not arise.
- v. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- vi. There were no material changes and commitments affecting the financial position of the company which have occurred between 31<sup>st</sup> March 2018 and the date of this report

**ACKNOWLEDGEMENT**

Your Directors take this opportunity to thank the various Governmental authorities, the Company's Bankers M/s.Dena Bank, the customers, and Suppliers. Your Directors also wish to place on record the dedicated Services rendered by the employees of the Company at all levels.

By Order of the Board,  
For & on behalf of the Board of Directors

B RANJIT KUMAR KOTHARI  
CHAIRMAN  
DIN: 01560805

CHENNAI  
DATED: 14<sup>th</sup> August 2018

**ANNEXURES FORMING PART OF BOARDS' REPORT:**

Annexure I: Disclosure under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Annexure II: Disclosures pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo as required u/s 134(3)(m) of the Companies Act, 2013, read along with rule 8(3) of Companies (Accounts) Rules, 2014.

Annexure III: Corporate Governance Report (including Auditor Certificate & other certificates annexed to CG Report).

Annexure IV: Extract of Annual return – Form MGT9.

Annexure V: Secretarial Audit Report.

Annexure VI: Independent Auditors' Report on Financial Statements.

Annexure VII: Financial Statements as on and for the year ended 31<sup>st</sup> March 2018 together with notes thereto.

**Directors' Report – Annexure I:**
**Disclosure under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**
**I.EMPLOYEES DRAWING REMUNERATION OF MORE THAN Rs 102 lakhs PER ANNUM:**

None of the Employees (including KMPs) are drawing remuneration exceeding Rs 102 lakhs per annum.

**II.DETAILS OF REMUNERATION EACH DIRECTOR IN 2016-17:**

Name	Designation	% increase over previous year	Ratio to median remuneration
Mr B Popatlal Kothari	Chairman & Managing Director	NIL	14.47:1
Mr B Ranjit Kumar Kothari	Director	NIL	Na
Mr Hitesh M Dharamshi	Independent Director	NIL	Na
Mr Ajay Goyal	Independent Director	NIL	Na
Mr N Prakash Kumar	Independent Director	NIL	Na
Mrs Payal Jain	Director	NIL	Na
Mr Kashyap Kothari	Chief Financial Officer	NIL	7.11:1
Mrs Jagruti Jain	Company secretary	NIL	2.09:1

Note: Sitting fees paid has not been considered as remuneration.

**III.NUMBER OF PERMANENT EMPLOYEES ON THE ROLLS OF THE COMPANY:**

As on 31.03.2018: 91

As on 31.03.2017: 88

**IV.PERCENTAGE INCREASE IN MEDIAN REMUNERATION OF EMPLOYEES IN THE FINANCIAL YEAR 2017-18: 12.26%**
**V.RELATIONSHIP BETWEEN AVERAGE INCREASE IN REMUERATION AND THE COMPANY PERFORMANCE:**

Average remuneration per employee per annum increased from 2.37 lakhs as at the end of 2016-17 to 2.69 lakhs as at the end of 2017-18 ,i.e., increased by 13.50%. Total Turnover in this period increased by 27.55%.

**VI.REMUNERATION OF KEY MANAGERIAL PERSONNEL AND COMPARISON OF THEIR REMUNERATION TO THE PERFORMANCE OF THE COMPANY.**

The total remuneration of Key Managerial Personnel during the year ended 31<sup>st</sup> March 2017 is Rs 49.09 lakhs as against Rs 45.88 lakhs paid during the previous year. The total payments to KMPs' increased during the year by 7.00% in absolute terms. As against this the total turnover of the Company increased from Rs 2684.05 lakhs to Rs 3423.58 lakhs resulting in an increase of 27.55% during the year.

**VII.MARKET PRICE AND PRICE EARNING RATIO:**

As on 31<sup>st</sup> March 2018, the closing Market price per equity share of Rs 2 each is Rs 7.69 and PE Ratio is 20.33.

**VIII.COMPARISON OF MARKET PRICE WITH THE ISSUE PRICE AT THE LAST PUBLIC OFFER:**

The last public offer was made during the year ended 31<sup>st</sup> March 1996 at par at Rs 10/- per Equity share. The Company issued bonus shares in the ratio of 2:5 during the year ended 31.03.2008. The closing Market Price per Equity share of Rs 2/- each (post split), of the Company as on 31<sup>st</sup> March 2018 is Rs. 7.69 (Source: BSE Ltd) resulting in an increase @ 284.50% when compared to public offer price (adjusted for bonus shares and adjusted for stock split). The Company has issued and allotted equity shares at Rs 10.80 per Rs 2/- equity shares during the year ended 31.3.2015 and 31.3.2016 compared to closing price of Rs 7.69 per Rs 2 equity shares as on 31.3.2018 resulting in increase to the extent of 28.80%.

**IX.AVERAGE PERCENTAGE INCREASE IN SALARIES OF EMPLOYEES OTHER THAN WHOLETEIME DIRECTORS: 16.59%**
**X.KEY PARAMETERS OF ANY VARIABLE COMPONENT OF REMUNERATION AVAILED BY DIRECTORS:**

Not applicable since Directors have not been paid any variable component of remuneration.

**XI.THE RATIO OF THE REMUNERATION OF THE HIGHEST PAID DIRECTOR TO THAT OF THE EMPLOYEES WHO ARE NOT DIRECTORS BUT RECEIVED REMUNERATION IN EXCESS OF THE HIGHEST PAID DIRECTOR DURING THE YEAR:**

No Employee received remuneration higher than the Managing Director.

**XII.AFFIRMATION THAT THE REMUNERATION IS AS PER THE REMUNERATION POLICY OF THE COMPANY:**

The remuneration paid during the year ended 31<sup>st</sup> March 2018 is as per the remuneration policy of the Company.

**Directors' Report – Annexure II:**

Disclosures pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo as required u/s 134(3)(m) of the Companies Act, 2013, read along with rule 8(3) of Companies (Accounts) Rules, 2014.

S.No.	Required Particulars	Details
<b>A.</b>	<b>Conservation of energy:</b>	
i.	The steps taken or impact on conservation of energy;	The Company regularly conducts energy conservation program at the factory to sensitize the workmen for using energy conservation practices throughout the factory. Energy Conservation measures have been adopted right from the initial Stages of manufacture to achieve the optimum energy consumption per unit of production.
ii.	The steps taken by the company for utilising alternate sources of energy;	The Company has not taken any steps to use alternate sources of energy
iii.	The capital investment on energy conservation equipments;	Nil
<b>B.</b>	<b>Technology absorption:</b>	
i.	The efforts made towards technology absorption;	The Company uses technology developed inhouse
ii.	The benefits derived like product improvement, cost reduction, product, development or import substitution;	The Company has developed CCMS Wire product without copper coating which was developed out of the Company's own initiative. The avoidance of copper coating has resulted in cost reduction and power saving.
iii.	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	The Company has not imported any technology
	(a) the details of technology imported;	Not applicable
	(b) the year of import;	Not applicable
	(c) whether the technology been fully absorbed;	Not applicable
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	Not applicable
iv.	The expenditure incurred on Research and Development.	Nil
<b>C.</b>	<b>Foreign exchange earnings and outgo:</b>	
	(a) Foreign exchange Earnings;	Nil
	(b) Foreign exchange outgo;	Rs.3,18,32,240

**Directors' Report – Annexure III: Corporate Governance Report and Auditor's Certificate and other Certificates:**

**M/s SURESHKUMAR & Co.,  
CHARTERED ACCOUNTANTS,  
34, Strotten Muthiah Street, II Floor, Chennai-600079.**

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**
**To the Members of M/s Rasi Electrodes Limited**

We have examined the compliance of the conditions of Corporate Governance by Rasi Electrodes Limited for the year ended 31<sup>st</sup> March 2018, as stipulated in Schedule V to the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of the conditions of corporate governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has, complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations.

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

For SURESHKUMAR & Co.,  
Firm Registration No.:004273S  
Chartered Accountants

SURESHKUMAR B  
Proprietor  
Membership No.028376

Chennai  
Dated: 14<sup>th</sup> August 2018

**A REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**  
**[As required under Regulation 34(3) read along with Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015(hereinafter referred to as SEBI (LODR) Regulations) ]**
**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Your company is in the business of manufacturing welding electrodes required by engineering, chemical and other manufacturing industries. Your company's philosophy of corporate governance is to provide low cost quality welding electrodes which best satisfy the needs of the customers and in the process, to bring about prosperity to the company, its shareholders, its investors and the country at large.

**2. BOARD OF DIRECTORS**

- i. The Board of Directors of the Company is headed by a Non-Executive, Non-Independent Chairman. The Company's Board comprises SIX Directors of whom Three are Independent Directors (50%) and Three are Non-Independent Directors (50%). The number of Non-Executive Directors is Five (83%). The composition of the Board is in conformity with Regulation 17 of SEBI (LODR) Regulations, 2015.
- ii. None of the Directors on the Board is a Member of more than ten Committees or Chairman of more than 5 Committees as specified in Regulation 26 of SEBI (LODR) Regulations, 2015 across all the Companies in which he/she is a Director. Necessary disclosures regarding Directorship / Committee positions held by the Directors in other public companies as at 31<sup>st</sup> March 2018, have been made by the Directors.
- iii. None of the employees of the Company, including key managerial personnel or director or promoter, have entered into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company during the financial year ended 31<sup>st</sup> March 2018 and necessary affirmation to this effect have been obtained from them and taken on record by the Board.
- iv. The names and categories of Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies is given below. Other Directorships do not include alternate directorships, Directorships of private limited companies and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

Names of Directors	Promoter/ non-promoter	Relationship with other Directors	Executive/ Non-executive/ Independent	No. of Board Meetings Attended	Last AGM Attended Yes/No	No. of Outside Directorship held	Member of Committee*
1. Mr Ranjit Kumar Kothari, Chairman	Promoter	Related	Non-Executive/ Non-independent	7	No	1	Nil
2. Mr Popatlal Kothari Managing Director	Promoter	Related	Executive/ Non-independent	7	Yes	1	Nil
3. Mr Hitesh M Dharamshi, Director	Non-Promoter	Not Related	Non-Executive/ Independent	6	No	Nil	Nil
4. Mr Ajay Goyal, Director	Non-Promoter	Not Related	Non-Executive/ Independent	7	No	Nil	Nil
5. Mr N Prakash Kumar, Director	Non-Promoter	Not Related	Non Executive/ Independent	7	Yes	Nil	Nil
6. Mrs. Payal Jain Director	Promoter	Related	Non-Executive/ Non-independent	7	No	Nil	Nil

- v. During the year ended 31<sup>st</sup> March 2018, SEVEN (7) Board Meetings were held on 30<sup>th</sup> May 2017, 23<sup>rd</sup> June 2017, 14<sup>th</sup> August 2017, 14<sup>th</sup> September 2017, 28<sup>th</sup> September 2017, 14<sup>th</sup> December 2017, 14<sup>th</sup> February 2018.
- vi. The Notice and Agenda for the Board Meeting is sent to each of the Director at least a week in advance. The Managing Director as the Chief Executive Officer of the Company briefs the Board at every meeting on the overall performance of the Company. The Board reviews all the mandatory matters as prescribed under Regulation 17(7) read along with Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, [hereinafter referred to as SEBI (LODR) Regulations] every quarter.
- vii. The Independent Directors Mr Hitesh M Dharamshi, Mr Ajay Goyal and Mr N Prakash Kumar have been appointed by the members of the Company at the AGM held on 29<sup>th</sup> September 2014 to hold office up to 31<sup>st</sup> March 2019.
- viii. Mr B Popatlal Kothari is the Managing Director and Chief Executive Officer of the Company for a period of five years from 13<sup>th</sup> February 2016 to 12<sup>th</sup> February 2021. The appointment of Mr B Popatlal Kothari as Managing Director and the remuneration payable to him was approved by the members at their 22<sup>nd</sup> AGM held on 28<sup>th</sup> September 2016.
- ix. Mr Kashyap Kothari is the Chief Financial Officer and Mrs. Jagruti J Jain is the Company Secretary appointed u/s 203 of the Companies Act, 2013.

x. Details of shares of the Company held by Directors and Key Managerial Personnel as on 31<sup>st</sup> March 2018 are as follows.

Name	Designation	Equity shares held
1.Mr Ranjit Kumar Kothari	Chairman	990000
2.Mr B Popatlal Kothari	Managing Director	4956430
3.Mr Hitesh M Dharamshi	Director	Nil
4.Mr Ajay Goyal	Director	8500
5.Mr N Prakash Kumar	Director	Nil
6.Payal Jain	Director	Nil
7.Mr Kashyap Kothari	Chief Financial Officer	1213065
8.Mrs Jagruti J Jain	Company Secretary	Nil

xi. The Company has not issued any convertible securities. None of the Directors are holding any convertible securities as on 31<sup>st</sup> March 2018.

xii. The details of familiarization programmes imparted to independent directors could be accessed at the web link  
<http://cmsbox.rasielectrodes.com/pdf/RASI%20FAMILIARISATION%20PROG%20FOR%20INDEPENDENT%20DIRECTOR.pdf>

xiii. The Independent Directors of the Company met once during the year on 14<sup>th</sup> February 2018 without the presence of non-independent directors and members of the management as required under Regulation 25(3) of SEBI (LODR) Regulation. The details of Directors present at the meeting is furnished below:

Name of the Director	Category	No. of meetings held	No. of meetings attended
Mr Hitesh M Dharamshi	Chairman, Director, Independent	1	1
Mr Ajay Goyal	Member, Director, Independent	1	1
Mr N Prakash Kumar	Member, Director, Independent	1	1

### 3.AUDIT COMMITTEE

- The Company has in place an Audit Committee and its composition complies with the requirements of Regulation 18 of SEBI (LODR) Regulations, 2015 and section 177(2) of the Companies Act, 2013.
- The terms of reference of the Audit Committee are in line with the one prescribed under Regulations 18(3) and section 177 of the Companies Act, 2013.
- In its meetings, the Audit Committee considered and reviewed matters relating to operational, financial and other business areas and also reviewed the quarterly results and annual results of the Company.
- The previous Annual General Meeting was held on 28<sup>th</sup> September 2017 and it was not attended by the Chairman of the Audit Committee.
- The Audit Committee of Directors met Five (5) times during the year on 30<sup>th</sup> May 2017, 14<sup>th</sup> August 2017, 14<sup>th</sup> November 2017, 14<sup>th</sup> December 2017 and 14<sup>th</sup> February 2018.
- The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

S.No.	NAME OF THE DIRECTOR	CATEGORY	No. of Meetings held	No. of Meetings attended
1	Mr Hitesh M Dharamshi	Chairman, Independent, Non-Executive	5	5
2	Mr Ranjit Kumar Kothari	Non-Independent, Non-Executive	5	5
3	Mr Ajay Goyal	Independent, Non-Executive	5	5

### 4.NOMINATION AND REMUNERATION COMMITTEE

- The Nomination & Remuneration Committee of Directors complies with the requirements of the Regulation 19(4) of SEBI (LODR) Regulations, 2015, and the Committee comprises of the following Directors as its Members:

S.No.	NAME OF THE DIRECTOR	CATEGORY	No. of Meetings held	No. of Meetings attended
1	Mr Ajay Goyal	Chairman, Independent, Non-Executive	3	3
2	Mr Ranjit Kumar Kothari	Non-Independent, Non-Executive	3	3
3	Mr Prakash Kumar	Independent, Non-Executive	3	3

- The terms of reference of the Remuneration Committee to review and recommend the remuneration payable to Executive Director and Non-Executive Directors, as when their appointment and revision in their remuneration is considered and determine the remuneration policy to be pursued by the Company from time to time.



- iii. A meeting of the Remuneration Committee was held THRICE during the year on 30<sup>th</sup> May 2017, 14<sup>th</sup> August 2017 and 14<sup>th</sup> December 2017.
- iv. The Company has devised Board Evaluation Framework and Policy which sets the mechanism and broad criteria for evaluation of the Board, Board committees and Directors including Independent Directors, keeping in view the size of operations, specific requirements of advice and guidance for the operations of the Company. Performance evaluation of Directors is done through self assessment and group discussions, based on suggested parameters such as attendance at meetings, participation, guidance on niche areas of specialization of individual Directors, leveraging of their unique experience for the benefit of operation of the Company, etc.
- v. Performance evaluation criteria for independent directors is disclosed at the web link <http://rasielectrodes.com/PDF/Criteria-for-Evaluation.pdf>.

## 5. REMUNERATION

- i. The Remuneration policy of the Company comprises of payment of suitable remuneration to its Executive Director as evaluated and recommended by the Remuneration Committee and approved by the Board and shareholders. The Non-Executive Directors will be paid sitting fees as approved by the Board for the meetings of the Board and Committees attended by them. The non-executive Directors are not being paid any other remuneration or commission. The Managing Director has been authorized to determine the remuneration policy and pay suitable remuneration to the employees of the Company who are not Directors on the Board of the Company.
- ii. Details of the remuneration paid to Executive and Non-Executive Directors for the year ended 31<sup>st</sup> March 2018 is given below:

Name	Designation	Remuneration paid to Executive Directors including perquisites (Rs.)	Remuneration paid to Non-Executive Directors (Rs.)	Sitting fees paid to Directors (Rs.)
1. Mr Ranjit Kumar Kothari,	Chairman	Nil	Nil	14500
2. Mr B Popatlal Kothari	Managing Director	3000000	Nil	Nil
3. Mr Hitesh M Dharamshi	Director	Nil	Nil	13000
4. Mr Ajay Goyal	Director	Nil	Nil	14000
5. Mr N Prakash Kumar	Director	Nil	Nil	11500
6. Mrs Payal Jain	Director	Nil	Nil	7000

- iii. The Company does not have any performance linked incentive payment scheme for any of its Directors or employees.
- iv. The Company does not have any Employee Stock Option Scheme or Employees Stock Purchase Scheme.

## 6. STAKEHOLDERS RELATIONSHIP COMMITTEE

- i. The Stakeholders Relationship Committee of Directors complies with the requirements of the revised Regulation 20 of SEBI (LODR) Regulations. The composition of the Stakeholders' Relationship Committee and the details of meetings held and attended by the members of the Committee are given below:

Name	Category	No. of meetings held	No. of meetings attended
Mr B Ranjit Kumar Kothari	Chairman, Non Executive, Non-independent	5	5
Mr B Popatlal Kothari	Executive, Non-Independent	5	5
Mr Prakash Kumar	Non-Executive, Independent	5	5

- ii. The Committee met FIVE (5) times during the year on 30<sup>th</sup> May 2017, 14<sup>th</sup> August 2017, 14<sup>th</sup> December 2017, 22<sup>nd</sup> January 2018 and 20<sup>th</sup> March 2018.
- iii. The terms of reference of the Committee are to consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends besides approving the Share Transfers / Transmission, to take on record dematerialization of shares, to approve splits, consolidation of share certificates, etc.
- iv. Name, Designation and address of Compliance Officer is given below:

Mrs Jagruti J Jain  
 Company Secretary  
 Rasi Electrodes Limited  
 Registered office: 'Rams Apartments', Flat A-14,  
 12 (Old No.:21), Raja Annamalai Road,  
 Chennai-600084  
 Tel: 044-26424523; 26427884

v. Details of complaints received and redressed are given below:

Opening Balance as on 01.04.2017	Received during the year ended 31.03.2018	Resolved during the year ended 31.03.2018	Closing Balance as on 31.03.2018
Nil	3	3	Nil

## 7. RISK MANAGEMENT COMMITTEE

Your Company has adequate risk management infrastructure in place capable of addressing risks faced by the company both internal and external. Your Company is not required to constitute a separate Risk Management Committee as per the criteria laid down in the SEBI (LODR) Regulations, 2015.

## 8. GENERAL BODY MEETINGS

i. The location, time where last three AGMs / EGMs held are furnished below:

AGM / EGM	LOCATION	DATE	TIME
21 <sup>ST</sup> AGM	HOTEL ASHOKA PVT LTD . New No 47 Old No 33, Pantheon Road, Egmore, Chennai – 600008	29.09.2015	9.00 A.M
22 <sup>ND</sup> AGM	HOTEL SRI BALAJI BHAVAN, No 242,G.N.T.Road, Redhills, Chennai-600052	28.09.2016	9.30.A.M.
23 <sup>RD</sup> AGM	HOTEL SRI BALAJI BHAVAN, No 242,G.N.T.Road, Redhills, Chennai-600052	28.09.2017	9.30.A.M.

ii. The details of Special Resolutions passed during the three years ended 31<sup>st</sup> March 2018 is furnished below:

Date of AGM/EGM	Details of Special Resolution Passed
30.08.2014 – EGM	1. Approval u/s 13,14 and 61 of the Companies Act, 2013 for Amendment to Memorandum and Articles of Association for increasing the Authorised Capital from Rs 6 crores to Rs 8 crores. 2. Approval u/s 62(1)© and 42 of the Companies Act, 2013 for issue of 10,00,000 Convertible Warrants and 15,00,000 Equity shares to Promoters and Promoters Group and Non-Promoters at a price of Rs 54/- including a premium of Rs 44/- per share.
28.09.2016 – AGM	Re-appointment of Mr B Popatlal Kothari as Managing Director for a further period of FIVE years up to 12 <sup>th</sup> February 2021

iii. The Company has NOT passed the any resolution through the process of Postal Ballot during the year ended 31<sup>st</sup> March 2018.

iv. No resolution is proposed to be passed through postal ballot during the year ended 31<sup>st</sup> March 2019.

## 9. MEANS OF COMMUNICATION

i. The quarterly and annual results are communicated to the Stock Exchange (i.e.BSE Ltd) immediately after the Board Meeting where in it is approved.

ii. The quarterly and annual results are also published in the news papers "Trinity Mirror" and "Makkal Kural".

iii. The results are also displayed at the official website of the Company [www.rasielectrodes.com](http://www.rasielectrodes.com). The website also displays official news releases, if any.

iv. The Company has not made any presentation to institutional investors or to any financial analysts.

v. A Management discussion and Analysis Statement is a part of the Directors Report furnished in the Company's Annual Report.

**10. General Shareholder Information**

a.	24 <sup>th</sup> Annual General Meeting Date Time Venue	26 <sup>th</sup> September 2018 (Wednesday) 9.30 A.M. G.K.PARTY HALL, No.12/13, Sivananda Nagar, 200 Feet Road, Kolathur, CHENNAI-600099
b.	Financial year:	1 <sup>st</sup> April 2017 to 31 <sup>st</sup> March 2018
c.	Dividend payment date & book closure date	The Board of Directors have not recommended any dividend for the year ended 31 <sup>st</sup> March 2018.
	Book closure date	From Thursday, the 20 <sup>th</sup> September 2018 to Wednesday, the 26 <sup>th</sup> September 2018 (both days inclusive) for the purpose of the 24 <sup>th</sup> AGM.
	Electronic Voting at (website)	<a href="http://www.evotingindia.com">www.evotingindia.com</a>
	Electronic Voting eligibility cut-off date	19 <sup>th</sup> September 2018
	Electronic voting commencement date	From 10.00 A.M. on Saturday, the 22 <sup>nd</sup> September 2018
	Electronic voting end date	on Tuesday, the 25 <sup>th</sup> September 2018 upto 5.00 P.M.
d.	Listing on Stock Exchanges	BSE LIMITED [BOMBAY STOCK EXCHANGE] Phiroze Jeejeebhoy Towers, Dala Street, MUMBAI-400001 The Company has paid the Annual Listing Fees due to the stock exchange for the financial year 2017-2018
e.	Stock code ISIN No.	531233 INE822D01021
f & g	Market price data and Comparison with BSE Sensex	The details of share prices as traded on the BSE Limited is furnished below:

Month	High	Low	Close	No.of shares traded	No.of Trades	Net T/O (Rs.)
April 2017	7.73	6.40	6.62	1255195	1318	8450129
May 2017	7.80	6.03	6.31	2404325	4584	16153985
June 2017	6.80	4.75	5.39	854443	1039	3842004
July 2017	6.95	4.80	5.26	534971	802	2996601
August 2017	6.25	4.11	5.10	366307	731	1824673
September 2017	7.28	4.52	6.04	2517568	3274	16033498
October 2017	6.30	4.85	5.24	498166	771	2838789
November 2017	5.65	4.37	4.69	512154	641	2518675
December 2017	5.23	4.38	4.89	274029	351	1304866
January 2018	6.45	4.76	6.14	2154613	2586	16060512
February 2018	7.60	5.42	6.52	541862	1048	3712795
March 2018	6.97	5.19	5.49	382032	835	2341219

Source: Website of The Stock Exchange, Mumbai (i.e. [www.bseindia.com](http://www.bseindia.com))

h.	Trading of securities at the stock exchange	The Equity shares of the Company are actively traded at the BSE Limited and they have not been suspended from trading at any point of time during the year.
i.	Registrar & Share Transfer Agent	Cameo Corporate Services Limited Subramanian Building 1, Club House Road, Chennai-600002 Tel: 044-28460390-91-92
j.	Share Transfer System	As on 31 <sup>st</sup> March 2018, a total of 30,242,805 equity shares of Rs 2/- each fully paid representing 97.15% of the paid-up capital of the Company are in electronic form and 887,695 equity shares of Rs 2/- each fully paid representing 2.85% of the paid-up capital of the Company are in physical form.  The transfer of shares held in electronic form is done through the depositories with no involvement of the Company.  The shares in the physical form are normally transferred within a period of 15 days from the date of receipt if the documents are complete in all respects.
k.	Distribution of shareholding	Furnished below:

a. Distribution of shareholding as on 31<sup>st</sup> March 2018 is furnished below:

Distribution Range (No. of shares)	No. of shareholders	% of total	Value of Equity shares of Rs 2 each held	% of total
2 - 5000	2888	73.0584	3604312	5.7890
5001 - 10000	489	12.3703	3802696	6.1076
10001 - 20000	271	6.8555	4163668	6.6874
20001 - 30000	83	2.0996	2071064	3.3264
30001 - 40000	39	0.9865	1408540	2.2623
40001 - 50000	37	0.9359	1733588	2.7843
50001 - 100000	72	1.8214	5307010	8.5238
100001 & above	74	1.8720	40170122	64.5190
Total	3953	100.0000	62261000	100.0000

b. Categories of shareholders as on 31<sup>st</sup> March 2018 is furnished below:

Category	No. of shares	Percentage
Promoters holdings	8697950	27.94
Corporate Bodies	1474117	4.74
NRI	191861	0.62
Indian Public	20766572	66.70
Total	31130500	100.000

i.	Dematerialisation of shares and liquidity	The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Ltd(NSDL) and Central Depository Services Limited (CSDL). As on 31 <sup>st</sup> March 2018, a total of 30,242,805 Equity shares of Rs 2/- each fully paid representing 97.15% of the Company's share capital are held in dematerialized form. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE822D01021
m.	Outstanding GDRs/ADRs	The Company has so far not issued any GDRs/ADRs/Warrants or any convertible instruments.
n.	Commodity price risk or foreign exchange risk and hedging activities	The Company's operations are not subject to any commodity price risk other than in the normal course of business. The Company does not face any foreign exchange risks and hence has not undertaken any hedging activities.
o.	Plant locations	Welding Electrodes Manufacturing Plant Upparapalayam Village Alamathi Post, Redhills Chennai-600052
p.	Address for correspondence	Registered Office: 'Rams', A-14, III Floor, 21, Raja Annamalai Road, Chennai-600084  For transfer of shares, dematerialisation, change of address, etc., to: CAMEO CORPORATE SERVICES LIMITED Subramaniam Building, No.1, Club House Road, Chennai-600002
q.	Exclusive E-Mail ID for Redressal of Investor Complaints	The Company has designated an e-mail ID exclusively for the purpose of registering complaints by investors. The e-mail ID is <a href="mailto:info@rasielectrodes.com">info@rasielectrodes.com</a> . Shareholders / Investors can send their complaints / Grievances to the above e-mail ID.

## 11. DISCLOSURES

i. Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large.

The disclosures relating to related party transactions is given in Note 26.4 : Other Significant Notes attached to Balance sheet . The Company's policy on dealing with related party transactions is available at the web link <http://rasielectrodes.com/PDF/Rasi-Policy-on-Related-Party-Transaction.pdf>.

ii. Details 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 market during the last three years : None

- iii. The Company has established vigil mechanism and Whistle Blower Policy for directors and employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee. The details of establishment of vigil mechanism/ Whistle Blower policy could be accessed at the web link <http://rasielectrodes.com/PDF/Whistle-Blower-Policy-and-Vigil-Mechanism.pdf>.
- iv. The Board of Directors of the Company have adopted a suitable Code of Conduct to be adhered to by its Directors and Senior Management Personnel. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct during the year ended 31<sup>st</sup> March 2018 and the Certificate furnished by the Managing Director in his capacity as the Chief Executive Officer of the Company is annexed to this report.
- v. The Board of Directors have also laid down a comprehensive Code of Conduct for Prevention of Insider Trading applicable to its Board of Directors and Senior Management Personnel. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct during the year ended 31<sup>st</sup> March 2018.
- vi. The risk assessment and minimization procedures are in existence and the Board of Directors reviews the same at their quarterly meetings.
- vii. All the mandatory requirements as per SEBI (LODR) Regulations have been complied with by the Company.
- viii. The Company does not have any holding, subsidiary or associate companies.
- ix. The Company's operations are not subject to any commodity price risk other than in the normal course of business. The Company does not face any foreign exchange risks and hence has not undertaken any hedging activities.

## 12. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT

The Company has complied with all the mandatory requirements of Corporate Governance Report.

## 13. DISCLOSURE RELATING TO ADOPTION OF DISCRETIONARY REQUIREMENTS

The extent of adoption of discretionary requirements of Corporate Governance by the Company is summarized below:

- i. No reimbursement of expenses is made to the Non-Executive Chairman in connection with maintenance of his office.
- ii. The Company does not mail the Un-Audited Half yearly Financial Results individually to its shareholders. However, these are published in the newspapers 'Trinity Mirror' and 'Makkal Kural', and are also posted on the website of the Company [www.rasielectrodes.com](http://www.rasielectrodes.com).
- iii. The Audit report for the year ended 2017-18 is an un-modified one and does not contain any qualifications.
- iv. The Company has separate post of Chairman who is a Non-Executive and Non-Independent Director and separate post of Chief Executive Officer who is the Managing Director of the Company.
- v. The Company has engaged the services of an Independent Practicing Chartered Accountant as Internal Auditor who reports to the Audit Committee.

## 14. DISCLOSURE OF COMPLIANCE

The necessary disclosure of compliance with Regulation 17 to 27 and 46(2)(b) to (i) is furnished hereunder:

Regulation No.	Relating to	Extent of Compliance by the Company
17	Board of Directors	Fully complied
18	Audit Committee	Fully complied
19	Nomination & Remuneration Committee	Fully complied
20	Stakeholders' Relationship Committee	Fully complied
21	Risk Management Committee	Fully complied
22	Vigil Mechanism	Fully complied
23	Related Party transactions	Fully complied
24	Corporate Governance requirements with respect to subsidiary	Not applicable since the Company does not have subsidiary companies
25	Obligations with respect to Independent Directors	Fully complied
26	Obligations with respect to Directors and Senior Management	Fully complied
27	Other Corporate Governance Requirements	Disclosure relating to adoption of discretionary requirements under this Regulation is given vide Para 13 of the Corporate Governance Report.

Website: The Company maintains a functional website [www.rasielectrodes.com](http://www.rasielectrodes.com) wherein all the prescribed basic information about the company is disclosed. The web link of disclosure of compliance with the requirements of Regulation 46(2)(b) to (i) is furnished below:

Regulation 46(2)(b): terms and conditions of appointment of independent directors:  
<http://rasielectrodes.com/PDF/Terms-of-Appointment-of-Independent-Directors.pdf>

Regulation 46(2)(c): composition of various committees of board of directors:

<http://cmsbox.rasielectrodes.com/pdf/COMPOSITION%20OF%20BOARD%20AND%20COMMITTEES.pdf>

Regulation 46(2)(d): code of conduct of board of directors and senior management personnel:  
<http://rasielectrodes.com/PDF/CODE%20OF%20CONDUCT%20FOR%20DIRECTORS%20AND%20SENIOR%20MGMT.pdf>

Regulation 46(2)(e): details of establishment of vigil mechanism/ Whistle Blower policy:

<http://rasielectrodes.com/PDF/Whistle-Blower-Policy-and-Vigil-Mechanism.pdf>

Regulation 46(2)(f): criteria of making payments to non-executive directors , if the same has not been disclosed in annual report:

Disclosed at para 5 above of Corporate Governance Report.

Regulation 46(2)(g): policy on dealing with related party transactions:  
<http://rasielectrodes.com/PDF/Rasi-Policy-on-Related-Party-Transaction.pdf>

Regulation 46(2)(h): policy for determining 'material' subsidiaries

Not applicable since the Company does not have any subsidiaries.

Regulation 46(2)(i): details of familiarization programmes imparted to independent directors:

<http://cmsbox.rasielectrodes.com/pdf/RASI%20FAMILIARISATION%20PROG%20FOR%20INDEPENDENT%20DIRECTOR.pdf>

#### **15.DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT**

It is hereby confirmed that no shares are lying unclaimed in demat suspense account or unclaimed suspense account as on 31<sup>st</sup> March 2018.

**CHENNAI**  
**DATED: 14.08.2018**

**for and on behalf of the Board of Directors**  
**B.POPATLAL KOTHARI**  
**Managing Director**  
**DIN: 00594168**

**CEO/CFO CERTIFICATION :**

Pursuant to the requirements of Regulation 17(8) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, Mr B Popatlal Kothari, Managing Director & CEO, and Mr P Kashyap Kothari, Chief Financial Officer have furnished the following certificate to the Board of Directors of the Company:

WE, B Popatlal Kothari, Managing Director & Chief Executive Officer, and P Kashyap Kothari, Chief Financial Officer, certify that:

- (a) WE have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2018 and that to the best of our 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 violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the company pertaining to the financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design and operation for 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
  - 1. Significant changes in internal control over financial reporting during the year;
  - 2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3. Instances of significant fraud of which we 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.

BPOPATLAL KOTHARI  
MANAGING DIRECTOR & CEO  
CHENNAI  
DATED: 30<sup>th</sup> May 2018

KASHYAP KOTHARI  
CHIEF FINANCIAL OFFICER

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**MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT**

As required under Schedule V(D) to the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, it is hereby affirmed that all the Board members and Senior Management Personnel have complied with the Code of Conduct of the Company. It is also confirmed that the Code of Conduct has already been posted on the web site of the Company.

SD/-  
BPOPATLAL KOTHARI  
MANAGING DIRECTOR

CHENNAI  
DATED: 30<sup>th</sup> May 2018

**Directors' Report – Annexure IV:**

Form No. MGT- 9  
**EXTRACT OF ANNUAL RETURN**  
 As on the financial year ended on 31st March, 2018  
 of  
**RASI ELECTRODES LIMITED**  
 [Pursuant to Section 92(3) of the Companies Act, 2013 And  
 Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i.	<b>CIN</b>	L52599TN1994PLC026980
ii.	Registration Date	<b>8<sup>TH</sup> MARCH 1994</b>
iii.	Name of the Company	<b>RASI ELECTRODES LIMITED</b>
iv.	Category / sub-category of the Company	<b>Company Limited by Shares / Indian Non-Government Company</b>
v.	Address of the registered office and contact details	<b>Registered Office:</b> A-14, RAMS Apartment, 3 <sup>rd</sup> Floor, 21, Raja Annamalai Road, Chennai-600084. Tel.No.: 044-26424523; Email: <a href="mailto:info@rasielectrodes.com">info@rasielectrodes.com</a> Website: <a href="http://www.rasielectrodes.com">www.rasielectrodes.com</a>
vi.	Whether Listed Company (Yes / No)	<b>Yes (Listed at BSE Ltd)</b>
vii.	Name, address and contact details of Registrar & Transfer Agent, if any	<b>Cameo Corporate Services Limited</b> 'Subramaniam Building', 1, Club House road, Chennai-600002 Tel.No.: 044-28460390.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated.

Name & Description of the main products / services	NIC Code of the Product / Service	% of Total turnover of the Company
Welding Electrodes & CCMS Wire	4004	88.29%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NIL**
**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)(i) Category-wise Share Holding

Name of the Company : RASI ELECTRODES LIMITED - RS 2/-

Face Value : 2 /-

Paidup Shares as on 01-Apr -2017 : 31130500

Paidup Shares as on 31-Mar-2018 : 31130500

For the Period From : 01-April-2017 To : 31-Mar-2018

Category code	Category of Shareholder	No. of shares held at the beginning of the year			No. of shares held at the end of the year			% Change during the year
		Demat	Physical	Total	Demat	Physical	Total	
<b>A.</b>	<b>SHAREHOLDING OF PROMOTER AND PROMOTER GROUP</b>							
1.	INDIAN							
a.	INDIVIDUALS/HINDU UNDIVIDED/FAMILY	8447950	0	8447950	8447950	0	8447950	27.1372
b.	CENTRAL GOVERNMENT/STATE GOVERNMENT(S)	0	0	0	0	0	0	0.0000
c.	BODIES CORPORATE	2500000	0	2500000	2500000	0	2500000	0.8030
d.	FINANCIAL INSTITUTIONS/BANKS	0	0	0	0	0	0	0.0000
e.	ANY OTHER							
	<b>SUB - TOTAL (A)(1)</b>	<b>8697950</b>	<b>0</b>	<b>8697950</b>	<b>8697950</b>	<b>0</b>	<b>8697950</b>	<b>27.9402</b>
2.	FOREIGN							
a.	INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	0	0	0	0	0	0	0.0000
b.	BODIES CORPORATE	0	0	0	0	0	0	0.0000
c.	INSTITUTIONS	0	0	0	0	0	0	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0.0000
e.	ANY OTHER							
	<b>SUB - TOTAL (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>
	<b>TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)</b>	<b>8697950</b>	<b>0</b>	<b>8697950</b>	<b>8697950</b>	<b>0</b>	<b>8697950</b>	<b>27.9402</b>
<b>B.</b>	<b>PUBLIC SHAREHOLDING</b>							
1.	INSTITUTIONS							
a.	MUTUAL FUNDS/UTI	0	0	0	0	0	0	0.0000
b.	FINANCIAL INSTITUTIONS/BANKS	0	0	0	0	0	0	0.0000
c.	CENTRAL GOVERNMENT/STATE GOVERNMENT(S)	0	0	0	0	0	0	0.0000
d.	VENTURE CAPITAL FUNDS	0	0	0	0	0	0	0.0000
e.	INSURANCE COMPANIES	0	0	0	0	0	0	0.0000
f.	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0	0	0	0.0000
g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0	0	0	0.0000
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0.0000
i.	ANY OTHER							
	<b>SUB - TOTAL (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>

Category code	Category of Shareholder	No. of shares held at the beginning of the year			No. of shares held at the end of the year			% Change during the year		
		Demat	Physical	Total	% of Total Shares	Demat	Physical		Total	% of Total Shares
2.	NON-INSTITUTIONS									
a.	BODIES CORPORATE	2098641	0	2098641	6.7414	1474117	0	1474117	4.7352	-2.0061
b.	INDIVIDUALS - I INDIVIDUAL SHAREHOLDERSHOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH II INDIVIDUAL SHAREHOLDERSHOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	7631409	906095	8537504	27.4248	8613942	887695	9501637	30.5219	3.0970
c.	QUALIFIED FOREIGN INVESTOR	10494503	0	10494503	33.7113	10257554	0	10257554	32.9501	-0.7611
d.	ANY OTHER CLEARING MEMBERS HINDU UNDIVIDED FAMILIES NON RESIDENT INDIANS	0	0	0	0.0000	0	0	0	0.0000	0.0000
		34614	0	34614	0.1111	15260	0	15260	0.0490	-0.0621
		981925	0	981925	3.1542	992121	0	992121	3.1869	0.0327
		285363	0	285363	0.9166	191861	0	191861	0.6163	-0.3003
	<b>SUB - TOTAL (B)(2)</b>	<b>1301902</b>	<b>0</b>	<b>11301902</b>	<b>4.1820</b>	<b>1199242</b>	<b>0</b>	<b>1199242</b>	<b>3.8523</b>	<b>-0.3297</b>
	<b>TOTAL PUBLIC SHAREHOLDING(B) = (B)(1)+(B)(2)</b>	<b>21526455</b>	<b>906095</b>	<b>22432550</b>	<b>72.0597</b>	<b>21544855</b>	<b>887695</b>	<b>22432550</b>	<b>72.0597</b>	<b>-0.3003</b>
	<b>TOTAL (A)+(B)</b>	<b>30224405</b>	<b>906095</b>	<b>31130500</b>	<b>100.0000</b>	<b>30242805</b>	<b>887695</b>	<b>31130500</b>	<b>100.0000</b>	<b>0.0000</b>
C.	<b>SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED</b>									
	Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>TOTAL CUSTODIAN (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>30224405</b>	<b>906095</b>	<b>31130500</b>	<b>100.0000</b>	<b>30242805</b>	<b>887695</b>	<b>31130500</b>	<b>100.0000</b>	<b>0.0000</b>

ii. Shareholding of promoters:

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

ii) Shareholding of promoters

Name of the Company : RASIELECTRODES LIMITED - Rs.2

SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year	FOLIO/DP_CL_ID	PAN	Pledged Shares at beginning of the Year	Pledged Shares at end of the Year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares					
1	B POPATLAL KOTHARI	4956430	15.9214	0.0000	4956430	15.9214	0.0000	0.0000	'In30302851933459	AAIPK7746D	0	0
2	P NITYA KOTHARI	1061485	3.4097	0.0000	1061485	3.4097	0.0000	0.0000	'In30267931755448	AANPK2428F	0	0
3	P MANJULA KOTHARI HAVING SAME PAN	840810	2.7009	0.0000	840810	2.7009	0.0000	0.0000	'In30018312341922	AAIPK7745A	0	0
3	MANJULA KOTHARI	41890	0.1345	0.0000	41890	0.1345	0.0000	0.0000	'1204840000191301	AAIPK7745A	0	0
4	P KASHYAP KOTHARI HAVING SAME PAN	685555	2.2021	0.0000	685555	2.2021	0.0000	0.0000	'In30108022506127	AAOPK0675M	0	0
4	KASHYAP KOTHARI P	527510	1.6945	0.0000	527510	1.6945	0.0000	0.0000	'IN30287120469915	AAOPK0675M	0	0
5	BPK DEVELOPERS PVT. LTD.	250000	0.8030	0.0000	250000	0.8030	0.0000	0.0000	'1204840000242100	AAHFB9968P	0	0
6	POPATLAL KOTHARI AND SONS	218570	0.7021	0.0000	218570	0.7021	0.0000	0.0000	'1203150000202059	AAAHP2895Q	0	0
7	RUCHI N KOTHARI	115700	0.3716	0.0000	115700	0.3716	0.0000	0.0000	'IN30115123472352	AFIPJ0913Q	0	0

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)**

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

Name of the Company : RASI ELECTRODES LIMITED - RS 2/-

Sl No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
1	B POPATLAL KOTHARI At the beginning of the year 01-Apr-2017 At the end of the Year 31-Mar-2018	4956430 4956430	15.9214 15.9214	4956430 4956430	15.9214 15.9214	'IN30302851933459	AAIPK7746D
2	P NITYA KOTHARI At the beginning of the year 01-Apr-2017 At the end of the Year 31-Mar-2018	1061485 1061485	3.4097 3.4097	1061485 1061485	3.4097 3.4097	'IN30267931755448	AANPK2428F
3	P MANJULA KOTHARI At the beginning of the year 01-Apr-2017 At the end of the Year 31-Mar-2018 HAVING SAME PAN	840810 840810	2.7009 2.7009	840810 840810	2.7009 2.7009	'IN30018312341922	AAIPK7745A
3	MANJULA KOTHARI At the beginning of the year 01-Apr-2017 At the end of the Year 31-Mar-2018	41890 41890	0.1345 0.1345	41890 41890	0.1345 0.1345	'1204840000191301	AAIPK7745A
4	P KASHYAP KOTHARI At the beginning of the year 01-Apr-2017 At the end of the Year 31-Mar-2018 HAVING SAME PAN	685555 685555	2.2021 2.2021	685555 685555	2.2021 2.2021	'IN30108022506127	AAOPK0675M
4	KASHYAP KOTHARI P At the beginning of the year 01-Apr-2017 At the end of the Year 31-Mar-2018	527510 527510	1.6945 1.6945	527510 527510	1.6945 1.6945	'IN30287120469915	AAOPK0675M
5	BPK DEVELOPERS PVT .LTD. At the beginning of the year 01-Apr-2017 At the end of the Year 31-Mar-2018	250000 250000	0.8030 0.8030	250000 250000	0.8030 0.8030	'1204840000242100	AAHFB9968P
6	POPATLAL KOTHARI AND SONS At the beginning of the year 01-Apr-2017 At the end of the Year 31-Mar-2018	218570 218570	0.7021 0.7021	218570 218570	0.7021 0.7021	'1203150000202059	AAAHP2895Q
7	RUCHI N KOTHARI At the beginning of the year 01-Apr-2017 At the end of the Year 31-Mar-2018	115700 115700	0.3716 0.3716	115700 115700	0.3716 0.3716	'IN30115123472352	AFIPJ0913Q

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Name of the Company : RASI ELECTRODES LIMITED

Sl No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
1	CHANDRAKALA KOTHARI At the beginning of the year 01-Apr-2017 At the end of the Year 31-Mar-2018 HAVING SAME PAN	992445 992445	3.1880 3.1880	992445 992445	3.1880 3.1880	'1201750000177786	AAEPC5084C
1	CHANDRAKALA At the beginning of the year 01-Apr-2017 Sale 04-Aug-2017 At the end of the Year 31-Mar-2018	5 -5 0	0.0000 0.0000 0.0000	5 0 0	0.0000 0.0000 0.0000	'IN30189510341916	AAEPC5084C
2	B RANJEET KOTHARI At the beginning of the year 01-Apr-2017 At the end of the Year 31-Mar-2018	990000 990000	3.1801 3.1801	990000 990000	3.1801 3.1801	'1203320000092849	AAKPK6088N
3	JALPA HITESH DHARAMSHI At the beginning of the year 01-Apr-2017 At the end of the Year 31-Mar-2018	616547 616547	1.9805 1.9805	616547 616547	1.9805 1.9805	'IN30154919200255	AGKPD4461A
4	UTTAM KUMAR KOTHARI At the beginning of the year 01-Apr-2017 At the end of the Year 31-Mar-2018 HAVING SAME PAN	581400 581400	1.8676 1.8676	581400 581400	1.8676 1.8676	'1201750000177617	AAFPK4604H
4	UTTAM KUAMR KOTHARI At the beginning of the year 01-Apr-2017 At the end of the Year 31-Mar-2018 HAVING SAME PAN	69140 69140	0.2220 0.2220	69140 69140	0.2220 0.2220	'1203320000111759	AAFPK4604H
4	B UTTAM KUMAR At the beginning of the year 01-Apr-2017 At the end of the Year 31-Mar-2018	5600 5600	0.0179 0.0179	5600 5600	0.0179 0.0179	'IN30018313064782	AAFPK4604H
5	SRINIVAS KANAKAGIRI At the beginning of the year 01-Apr-2017 Sale 15-Sep-2017 Sale 21-Sep-2017 At the end of the Year 31-Mar-2018	486181 -100000 -80000 306181	1.5617 0.3212 0.2569 0.9835	486181 386181 306181 306181	1.5617 1.2405 0.9835 0.9835	'1206690000034158	ADOPK7177K
6	PANKAJ KOTHARI T At the beginning of the year 01-Apr-2017 Purchase 21-Jul-2017 Purchase 01-Sep-2017 Purchase 08-Dec-2017 At the end of the Year 31-Mar-2018	472535 465 4473 1 477474	1.5179 0.0014 0.0143 0.0000 1.5337	472535 473000 477473 477474 477474	1.5179 1.5194 1.5337 1.5337 1.5337	'IN30061010490028	AITPP5447M
7	AADRIK DISTRIBUTORS PVT. LTD At the beginning of the year 01-Apr-2017 At the end of the Year 31-Mar-2018	449965 449965	1.4454 1.4454	449965 449965	1.4454 1.4454	'1201750000228270	AAECA6320J
8	RABINDRA KAPUR At the beginning of the year 01-Apr-2017 Sale 02-Jun-2017 Sale 19-Jan-2018 At the end of the Year 31-Mar-2018 HAVING SAME PAN	350005 -100 -156000 193905	1.1243 0.0003 0.5011 0.6228	350005 349905 193905 193905	1.1243 1.1239 0.6228 0.6228	'IN30021414820228	AAEPK8587E
8	RABINDRA KAPUR At the beginning of the year 01-Apr-2017 Sale 21-Sep-2017 At the end of the Year 31-Mar-2018	39294 -8000 31294	0.1262 0.0256 0.1005	39294 31294 31294	0.1262 0.1005 0.1005	'IN30120910053997	AAEPK8587E
9	JAYANT SADASHIV BASRUR JT1 : PADMINI JAYANT BASRUR At the beginning of the year 01-Apr-2017 At the end of the Year 31-Mar-2018	331700 331700	1.0655 1.0655	331700 331700	1.0655 1.0655	'IN30216410439495	AAEPB0230B
10	SUBHASH BRIJMOHAN BOHRA At the beginning of the year 01-Apr-2017 At the end of the Year 31-Mar-2018 NEW TOP 10 AS ON (31-Mar-2018)	300000 300000	0.9636 0.9636	300000 300000	0.9636 0.9636	'1202000000112827	AAILP9416E
11	DR RAMESH CHIMANLAL SHAH At the beginning of the year 01-Apr-2017 At the end of the Year 31-Mar-2018	246000 246000	0.7902 0.7902	246000 246000	0.7902 0.7902	'IN30051310883905	AAFPS8772A

**v.Shareholding of Directors and Key Managerial Personnel:**

S. No.	Names of Directors / KMPs	No of shares held at the beginning of the year		Date	Change in shareholding	Reason	No of shares held at the end of the year	
		No. of shares	% of total shares				No. of shares	% of total shares
I	DIRECTORS:							
1	RANJEET KUMAR KOTHARI Director	990000	3.1802	Nil	Nil	Na	990000	3.1802
2	B POPATLAL KOTHARI Chairman & Managing Director	4956430	15.9215	Nil	Nil	Na	4956430	15.9215
3	HITESH M DHARAMSHI Director	Nil	nil	Nil	Nil	Nil	Nil	nil
4	AJAY GOYAL Director	8500	0.0273	Nil	Nil	Nil	8500	0.0273
5	N PRAKASH KUMAR Director	Nil	nil	Nil	Nil	Nil	Nil	nil
6	Mrs PAYAL JAINDirector	Nil	nil	Nil	Nil	Nil	Nil	nil
II	KEY MANAGERIAL PERSONNEL (Other than Directors):							
1	KASHYAP KOTHARI, Chief Financial Officer	1213065	3.8967	Nil	Nil	Nil	1213065	3.8967
2	JAGRUTI JAIN Company Secretary	Nil	nil	Nil	Nil	Nil	Nil	nil

**V.INDEBTEDNESS (of the Company including interest outstanding/accrued but not due for payment):**

	Secured Loans Rs.	Unsecured loans Rs.	Deposits Rs.	Total Rs.
<b>Indebtedness at the beginning of the Financial Year:</b>				
i.Principal Amount	4,46,54,110	0	0	4,46,54,110
ii.Interest due but not paid	0	0	0	0
iii.Interest accrued but not due	0	0	0	0
<b>Total (i + ii + iii)</b>	<b>4,46,54,110</b>	<b>0</b>	<b>0</b>	<b>4,46,54,110</b>
<b>Change in Indebtedness during the financial year:</b>				
Addition	1,00,46,194	0	0	1,00,46,194
Reduction	0	0	0	0
<b>Net change</b>	<b>1,00,46,194</b>	<b>0</b>	<b>0</b>	<b>1,00,46,194</b>
<b>Indebtedness at the end of the Financial Year:</b>				
i.Principal Amount	5,47,00,304	0	0	5,47,00,304
ii.Interest due but not paid	0	0	0	0
iii.Interest accrued but not due	0	0	0	0
<b>Total (i + ii + iii)</b>	<b>5,47,00,304</b>	<b>0</b>	<b>0</b>	<b>5,47,00,304</b>

**VI.REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A.Remuneration to Managing Director & Wholetime Directors:**

S. No.	Particulars of remuneration	Total Remuneration paid to Managing Director Mr B Popatlal Kothari during the YE 31.3.2018
1	<b>Gross Salary:</b>	<b>Rs.</b>
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	24,00,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	6,00,000
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil
2.	Commission as a % of Profit	Nil
	Total (A)	30,00,000
	Ceiling as per Companies Act, 2013	The remuneration has been paid as minimum remuneration in the absence or inadequacy of profits as approved by members

**B. Remuneration to other Directors:**

S. No.	Particulars of remuneration	Name of the Independent Director			Total Amount
		Hitesh M Dharamshi	Ajay Goyal	N Prakash Kumar	
1	<b>Independent Directors:</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
	(a) Fees for attending Board / Committee Meetings.	13,000	14,000	11,500	38,500
	(b) Commission	Nil	Nil	Nil	nil
	(c) Others, please specify	Nil	Nil	Nil	nil
	Total (1)	13,000	14,000	11,500	38,500
		Name of the Other Non-Executive Director			
		B Ranjeet Kothari	Payal Jain		
2	<b>Other Non-Executive Directors:</b>	<b>Rs.</b>	<b>Rs.</b>		<b>Rs.</b>
	(a) Fees for attending Board / Committee Meetings.	14,500	7,000		21,500
	(b) Commission	Nil	Nil		Nil
	(c) Others, please specify	Nil	Nil		Nil
	Total (2)	14,500	7,000		21,500
	Total (B)=(1+2)				60,000
	Total Managerial Remuneration	Not applicable			30,60,000
	Overall ceiling as per Act.	NA			

**C.Remuneration to key managerial personnel other than MD and WTD:**

S. No.	Particulars of remuneration	Mrs Jagruti J Jain, Company secretary	Mr Kashyap Kothari, Chief Financial Officer
1	<b>Gross Salary:</b>	<b>Rs.</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	4,34,000	14,75,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil
2.	Commission as a % of Profit	Ni	Ni
	Total (A)	4,34,000	14,75,000
	Ceiling as per Companies Act, 2013	Not applicable	Not applicable

**VII.PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES UNDER THE COMPANIES ACT, 2013: NIL**

 CHENNAI  
 DATED: 14.08.2018

 for and on behalf of the Board of Directors  
**B.POPATLAL KOTHARI**  
 Managing Director  
 DIN: 00594168

Directors' Report – Annexure V:

Form No. MR-3

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2018**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

The Members,  
**RASI ELECTRODES LIMITED**  
CIN: L52599TN1994PLC026980  
REGD OFF: A-14, RAMS Apartment, 3<sup>rd</sup> Floor, 21, Raja Annamalai Road,  
Chennai-600084.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s RASI ELECTRODES LIMITED (hereinafter called the company)**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> MARCH 2018 ('Audit Period')** 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on **31<sup>st</sup> MARCH 2018**, according to the provisions of:

- 1.1. The Companies Act, 2013 (the Act) and the rules made thereunder;
- 1.2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 1.3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 1.4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable to the Company during the Audit Period**);
- 1.5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - 1.5.1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - 1.5.2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - 1.5.3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
  - 1.5.4. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - 1.5.5. The Securities and Exchange Board of India (Depositories & Participants) Regulations, 1996
  - 1.5.6. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - 1.5.7. 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**);
  - 1.5.8. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);
  - 1.5.9. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period**); and
  - 1.5.10. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**);



1.6. I have also examined the systems and mechanism put in place by the Company to ensure compliance with the other Acts, Laws and Regulations applicable to the activities carried on by the Company during the Audit Period. I state that there are adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance of such applicable laws, rules, regulations and guidelines. The following other laws are specifically applicable to the operations carried on by the Company:

- (i) The Factories Act, 1948.
- (ii) The Employees State Insurance Act, 1948.
- (iii) The Employees Provident Fund and Misc. Provisions Act, 1952, and other labour related laws.
- (iv) The Environment (Protection) Act, 1986.
- (v) The Water (Prevention & Control of Pollution) Act, 1974.
- (vi) The Air (Prevention & Control of Pollution) Act, 1981
- (vii) The Micro, Small & Medium Enterprises Development Act, 2006

2. I have also examined compliance with the applicable clauses of the following:

2.1. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2), Dividend (SS-3) (applicable w.e.f.01.01.2018), issued by The Institute of Company Secretaries of India.

2.2. The Listing Agreements entered into by the Company with BSE Limited as prescribed under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

3. I further report that the applicable financial laws, such as Direct and Indirect Tax Laws, have not been reviewed by me as the same falls under the review of statutory audit and other designated professionals.

4. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

5. I further report that:

5.1. 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.

5.2. 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.

5.3. All the decisions at Board meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be and based on the scrutiny of minutes of the meetings as referred above, I have not come across any dissenting views that were recorded during the Audit Period. There exists a system for capturing and recording the dissent of any members of the Board or Committee in the minutes of the meetings.

6. I 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. As informed, the Company has responded appropriately to instructions, directions, orders and notices received from statutory / regulatory authorities including by taking corrective measures wherever found necessary.

7. I further state that during the audit period there were no specific events / actions have happened having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

This report is to be read with my letter of even date which is annexed as **Annexure "A"** which forms an integral part of this report.

**A M GOPIKRISHNAN**  
**COMPANY SECRETARY IN PRACTICE**  
**FCS 2276; COP 2051**  
**Place: Chennai**  
**Dated: 30<sup>th</sup> May 2018**

**ANNEXURE A:**

**The Members,  
RASI ELECTRODES LIMITED  
CIN: L52599TN1994PLC026980  
REGD OFF: A-14, RAMS APARTMENTS, 21, RAJA ANNAMALAI ROAD,  
PURASAWALKAM, CHENNAI-600084.**

MY Secretarial Audit Report of even date for the financial year ended 31<sup>ST</sup> MARCH 2018 is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on the audit.
2. I have followed the audit practices and processes 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I 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 are the responsibility of management. Our examination was limited to the verification of procedures 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.

**A M GOPIKRISHNAN  
COMPANY SECRETARY IN PRACTICE  
FCS 2276; COP 2051**

**Place: Chennai  
Dated: 30<sup>th</sup> May 2018**

**Directors' Report – Annexure VI:  
INDEPENDENT AUDITORS REPORT****To the Members of Rasi Electrodes Ltd****Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying Standalone Ind AS financial statements of Rasi Electrodes Ltd ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss (including other comprehensive income), the cash Flow Statement and the Statement of Changes in Equity for the year ended and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Ind AS 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 financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.

This responsibility also includes maintenance of adequate records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and free from material misstatements, whether due to fraud or error.

**Auditors Responsibility**

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements

We believe that the audit evidences obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as on March 31, 2018, and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that;

- i. We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- iii. The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards Specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- v. On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of section 164 (2) of the Act.
- vi. 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"
- vii. With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
  - a) The Company does not have any pending litigation which would impact its financial position.
  - b) The Company did not have any long term contracts including derivative contracts as at March 31, 2018 for which there were any material foreseeable losses.
  - c) There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

**For SURESH KUMAR & Co.,**  
Chartered Accountants  
(FRN-004273S)

Place: Chennai  
Date: May 30, 2018

**SURESH KUMAR B**  
Proprietor  
Membership No. 028376

**ANNEXURE A TO THE INDEPENDENT AUDITORS REPORT**

The annexure referred to in our report to the members of Rasi Electrodes Ltd (the company) for the year ended 31<sup>st</sup> March, 2018. We Report that

- (i). In respect of its fixed assets:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets;
  - b. These fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
  - c. The title deeds of immovable properties are held in the name of the company.
- (ii) In respect of Inventories:
  - a. The physical verification of the Inventories has been conducted at reasonable intervals by the management.
  - b. The procedures of physical verification of Inventories followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business.
  - c. The Company has maintained proper records of Inventories and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act and hence clause (iii)(a) to (c) are not applicable to the Company.
- (iv) The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments provided by the Company. The company has not provided any guarantee or security to any company covered u/s 185.
- (v) According to the information and explanation provided to us, the Company has not accepted any deposits from the public. Accordingly the provisions of clause (v) of Paragraph 3 of the said Order are not applicable to the Company.
- (vi) On the basis of information given to us, we are of the opinion that, prima facie, the cost records and accounts prescribed by the Central Government of India, under sub –section (1) of Section 148 of the Companies Act, 2013, have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a. According to the information and explanations given to us and on the basis of our examination of the books of account and records, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employee State Insurance, Income tax, Goods and Service Tax, Sales Tax, Vat, Customs Duty, Service tax, Excise Duty and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on which they became payable.  
 b. According to the information and explanation given to us, details of Statutory dues which have not been deposited as on 31<sup>st</sup> March 2018, on account of any dispute are given below:

Name of the Statute	Name of the dispute	Amount (in Rs.)	Period to which relates	Forum where the dispute is pending
Income Tax Act, 1961	Income-Tax	14,56,090/-	AY 2012-2013	The Commissioner of Income Tax(Appeals), Chennai.
Income Tax Act, 1961	Income-Tax	16,08,176/-	AY 2013-2014	The Commissioner of Income Tax(Appeals), Chennai.

- (viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in the repayment of loans and borrowings to Financial Institutions, Banks and Government.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term Loans and hence the provisions Clause 3(ix) of the Order are not applicable to the Company.
- (x) In our opinion and according to the information and explanations given to us, the company has not noticed any fraud by the Company or any fraud on the Company by its officers or employees or reported during the year.
- (xi) According to the information and explanation given to us, managerial remuneration paid is in accordance with the provisions of section 197, read with Schedule V of the Companies Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, the provisions of clause 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanation given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions during the period with directors or persons connected with him. Accordingly paragraph 3 (xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For SURESH KUMAR & CO.  
Chartered Accountants  
(FRN-004273S)

SURESH KUMAR B  
Proprietor  
Membership No. 028376

Place: Chennai  
Date: May 30, 2018

“Annexure B” to the Independent Auditor's Report of even date on the Standalone Ind AS financial statements of Rasi Electrodes Limited.

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Rasi Electrodes Ltd, (“The Company”) as on 31<sup>st</sup> March, 2018 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on the 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 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”. 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 Companies Act, 2013.

**Auditors Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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 controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting 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 Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS financial statements.

**Inherent Limitations of Internal Financial Controls over financial Reporting**

Because of the inherent limitations 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 to 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 of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, 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 31<sup>st</sup> March, 2018, 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 Reporting Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

**For SURESH KUMAR & Co.,**  
Chartered Accountants  
(FRN-004273S)

Place: Chennai  
Date: May 30, 2018

**SURESH KUMAR B**  
Proprietor  
Membership No. 028376

**BALANCE SHEET AS AT 31ST MARCH 2018**

Rupees

PARTICULARS	Notes	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	2	5,85,20,127	5,99,20,562	6,50,34,845
(b) Capital Work in Progress	2	17,670	3,85,167	-
(c) Deferred Tax Asset		22,87,422	(10,10,248)	(6,40,181)
<b>Total Non - Current Assets</b>		<b>6,08,25,219</b>	<b>5,92,95,481</b>	<b>6,43,94,664</b>
<b>Current assets</b>				
(a) Inventories	3	5,66,82,300	5,20,77,646	4,85,78,231
(b) Financial assets				
(i) Investments	4	47,10,410	76,25,747	48,45,619
(ii) Trade Receivables	5	9,43,72,170	7,98,38,132	6,23,72,474
(iii) Cash and cash equivalents	6	10,15,556	7,83,180	2,36,39,061
(iv) Bank balances other than (iii) above		87,81,327	65,13,775	60,80,949
(v) Loans	7	2,29,70,954	1,78,71,903	1,59,32,927
(C) Other Current Assets	8	4,28,15,915	4,68,21,979	4,65,68,540
(d) Deposits	9	23,89,614	22,63,214	15,43,668
<b>Total current assets</b>		<b>23,37,38,246</b>	<b>21,37,95,576</b>	<b>20,95,61,469</b>
<b>Total assets</b>		<b>29,45,63,465</b>	<b>27,30,91,057</b>	<b>27,39,56,133</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	10	6,22,61,000	6,22,61,000	6,22,61,000
(b) Other equity	11	15,61,35,041	14,79,85,777	13,94,98,175
(c) Share application money pending allotment				2,02,500
<b>Total Equity</b>		<b>21,83,96,041</b>	<b>21,02,46,777</b>	<b>20,19,61,675</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Provisions	12	46,92,135	42,64,677	42,25,315
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	13	54,70,030	44,65,410	53,38,053
(ii) Trade payables	14	93,56,626	44,26,157	16,81,441
(b) Provisions		28,98,087	50,45,077	98,21,219
(b) Other current liabilities	15	45,20,272	44,54,259	28,85,948
<b>Total Current Liabilities</b>		<b>7,14,75,289</b>	<b>5,85,79,603</b>	<b>6,77,69,143</b>
<b>Total Liabilities</b>		<b>7,61,67,424</b>	<b>6,28,44,280</b>	<b>7,19,94,458</b>
<b>Total Equity and Liabilities</b>		<b>29,45,63,465</b>	<b>27,30,91,057</b>	<b>27,39,56,133</b>

The accompanying notes 2 to 26 form an integral part of the financial statements.

For and on behalf of the Board of Directors

 As per our report of even date attached  
**For SureshKumar & Co**  
 Chartered Accountants  
 FRN:004273S

**B RANJIT KUMAR KOTHARI**  
 Chairman

**B POPATLAL KOTHARI**  
 Managing Director

**Sureshkumar B**  
 Proprietor  
 M.No.028376

 Chennai  
 Dated : 30th May 2018

**JAGRUTI JAIN**  
 Company Secretary

**P KASHYAP KOTHARI**  
 Chief Financial Officer

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018**

Rupees

PARTICULARS	Notes	YEAR ENDED	YEAR ENDED
		31.03.2018	31.03.2017
Revenue from Operations	16	34,23,58,198	26,84,05,037
Other Income	17	61,83,563	57,44,169
<b>Total Income</b>		<b>34,85,41,761</b>	<b>27,41,49,206</b>
<b>Expenses</b>			
Cost of Raw materials and components consumed	18	22,35,70,989	16,21,22,766
Purchases of stock in trade		3,35,00,326	3,83,31,352
Changes in inventories of finished goods, work in progress & Stock in trade	19	1,04,77,372	(64,82,819)
Employee benefit expense	20	2,82,10,683	2,68,54,211
Finance costs	21	71,14,967	48,99,641
Depreciation and amortisation expense	2	67,65,645	82,10,154
Other expenses	22	3,05,14,435	2,60,60,717
<b>Total expenses</b>		<b>34,01,54,418</b>	<b>25,99,96,022</b>
<b>Profit/(loss) before tax</b>		<b>83,87,343</b>	<b>1,41,53,184</b>
Tax expense			
(1) Current tax		28,98,087	50,45,077
(2) Prior Period tax		2,10,204	2,11,076
(3) Deferred tax		(31,87,600)	3,80,203
<b>Profit (Loss) for the period from continuing operations</b>		<b>84,66,652</b>	<b>85,16,828</b>
Profit before tax from discontinued operations		-	-
Tax expense from discontinued operations		-	-
<b>Profit after tax from discontinued operations</b>		<b>-</b>	<b>-</b>
<b>Profit/(loss) for the period</b>		<b>84,66,652</b>	<b>85,16,828</b>
<b>Other comprehensive income for the period</b>			
<b>Other comprehensive income</b>			
Items that will not be reclassified to Profit or Loss in subsequent periods			
- Re-measurement gains/ (losses) on defined benefit plans		4,27,458	39,362
- Income tax expense relating to above items			
(a) deferred tax relating to the above		(1,10,070)	(10,136)
<b>Other comprehensive income for the period, net of tax</b>		<b>3,17,388</b>	<b>29,226</b>
<b>Total comprehensive income for the period</b>		<b>81,49,264</b>	<b>84,87,602</b>
<b>Profit for the year attributable to:</b>			
Owners of the Company		84,66,652	85,16,828
Non controlling interests		-	-
		<b>84,66,652</b>	<b>85,16,828</b>
<b>Earnings per equity share (for continuing operation):</b>			
Basic & Diluted (in Rs.)		0.27	0.27

The above statement of profit and loss should be read in conjunction with the accompanying notes (2 to 26).

For and on behalf of the Board of Directors

 As per our report of even date attached  
**For SureshKumar & Co**  
 Chartered Accountants  
 FRN:004273S

**B RANJIT KUMAR KOTHARI**  
 Chairman

**B POPATLAL KOTHARI**  
 Managing Director

**Sureshkumar B**  
 Proprietor  
 M.No.028376

 Chennai  
 Dated : 30th May 2018

**JAGRUTI JAIN**  
 Company Secretary

**P KASHYAP KOTHARI**  
 Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018**

	YEAR ENDED 31.03.2018 Rs.	YEAR ENDED 31.03.2017 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and Extra-ordinary items but including OCI	8387343	14153184
Adjustment for:		
Depreciation and deferred revenue expenditure	6765645	8210154
Interest paid	7114967	4899641
Dividend received	-72787	-135938
Interest received	-4696602	-2928126
(Profit)/Loss on sale of fixed assets	-75633	-48084
(Profit)/Loss on sale/Valuation of Investments	716796	441572
<b>Operating Profit before working capital changes</b>	<b>18139731</b>	<b>24592402</b>
Adjustment for changes in the working Capital		
Current Assets		
Inventories	-4604654	-3499415
Sundry Debtors	-14534038	-17465658
Loans and Advances	-1219387	-2911961
Current Liabilities	2849493	-463115
<b>CASH GENERATED FROM OPERATIONS</b>	<b>631144</b>	<b>252253</b>
Less: Interest paid		
Cash Flow before extraordinary items	631144	252253
Less : Taxes paid	3108291	5256153
Less: Extra-ordinary items		
<b>NET CASH FROM OPERATING ACTIVITIES(A)</b>	<b>-2477147</b>	<b>-5003900</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of fixed assets	-5304410	-3167287
Capital work in progress	-17670	-385167
Dividend received	72787	135938
Purchase of Investments	2915337	-2780128
Interest received	4696602	2928126
Sale of fixed assets	400000	119500
(Profit)/Loss on sale/Valuation of Investments	-716796	-441572
<b>NET CASH FROM INVESTING ACTIVITIES(B)</b>	<b>2045850</b>	<b>-3590590</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Short term borrowings	10046194	-8726425
Interest Paid	-7114967	-4899641
Refund of money recd against share warrant	0	-202500
<b>NET CASH USED IN FINANCING ACTIVITIES ( C )</b>	<b>2931226</b>	<b>-13828565</b>
<b>D. NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>2499928</b>	<b>-22423055</b>
A+B+C=D		
<b>CASH AND CASH EQUIVALENTS AS AT 01.04.2017</b>	<b>7296955</b>	<b>29720010</b>
Add: Net increase in Cash & Cash equivalents	2499928	-22423055
<b>CASH AND CASH EQUIVALENTS AS ON 31.03.2018</b>	<b>9796883</b>	<b>7296955</b>

For and on behalf of the Board of Directors

As per our report of even date attached

**For SureshKumar & Co**  
 Chartered Accountants  
 FRN:004273S

**B RANJIT KUMAR KOTHARI**  
 Chairman

**B POPATLAL KOTHARI**  
 Managing Director

**Sureshkumar B**  
 Proprietor  
 M.No.028376

 Chennai  
 Dated : 30th May 2018

**JAGRUTI JAIN**  
 Company Secretary

**P KASHYAP KOTHARI**  
 Chief Financial Officer



**Statement of changes in equity for the year ended March 31, 2018**

All amounts are in Rs unless otherwise stated

**A. Equity Share Capital**

	Note No.	Amount
<b>As at April 1, 2016</b>		6,22,61,000
Changes in equity share capital		
Issue of Shares		-
<b>As at April 1, 2017</b>		6,22,61,000
Changes in equity share capital		-
<b>As at March 31, 2018</b>	10	6,22,61,000

**B. Other Equity**

	Note No.	Reserves & Surplus					
		Securities Premium reserve	General Reserve	Investment Subsidy	Capital Reserve	Retained Earnings	Total other equity
<b>Balance at April 1, 2016</b>		5,63,27,400	1,21,25,575	14,34,835	1,26,22,500	5,69,87,865	13,94,98,175
Profit for the year		-	-	-	-	85,16,828	85,16,828
Other comprehensive income		-	-	-	-	(29,226)	(29,226)
Issue of equity shares	11	-	-	-	-	-	-
<b>Balance at April 1, 2017</b>		5,63,27,400	1,21,25,575	14,34,835	1,26,22,500	6,54,75,467	14,79,85,777
Profit for the year		-	-	-	-	84,66,652	84,66,652
Other comprehensive income		-	-	-	-	(3,17,388)	(3,17,388)
<b>Balance at March 31, 2018</b>	11	5,63,27,400	1,21,25,575	14,34,835	1,26,22,500	7,36,24,731	15,61,35,041

For and on behalf of the Board of Directors

As per our report of even date attached

**B RANJIT KUMAR KOTHARI**  
 Chairman

**B POPATLAL KOTHARI**  
 Managing Director

**For SureshKumar & Co**  
 Chartered Accountants  
 FRN:004273S

 Chennai  
 Dated : 30th May 2018

**JAGRUTI JAIN**  
 Company Secretary

**P KASHYAP KOTHARI**  
 Chief Financial Officer

**Sureshkumar B**  
 Proprietor  
 M.No.028376

**Notes to the financial statements for the year ended March 31, 2018**

All amounts are in Rs unless otherwise stated

**2 Property, plant and equipment**

	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
Carrying amounts of:			
Freehold land	2,40,55,631	2,09,55,631	20929631
Building	72,43,199	74,73,217	8289611
Plant & Machinery			
Machineries	1,96,98,302	2,65,00,813	30485287
Lab Equipments	17,667	18,173	36938
Generators	2,43,446	3,00,735	372332
Weighing Scale	96,828	1,07,856	120896
Electrical Equipments	9,26,147	6,32,903	795960
Furniture & Fixtures			
Furniture & Fittings	9,95,799	77,648	135234
Electrical typewriters	2,20,457	2,18,154	242898
Vehicles	38,13,918	26,49,925	2660498
Office Equipments	9,13,994	6,08,573	571923
Spars & Tools	2,94,739	3,76,934	393637
	<b>5,85,20,127</b>	<b>5,99,20,562</b>	<b>6,50,34,845</b>
Capital work-in-progress	17,670	3,85,167	0
	<b>5,85,37,797</b>	<b>6,03,05,729</b>	<b>6,50,34,845</b>

Description of Assets	Land - Freehold	Building	Plant & Equipment- Machinery	Plant & Equipment- Lab Equipment	Plant & Equipment- Generator	Weighing Scale	Electrical Equipments	Furniture and Fixtures	Electrical Type Writers	Vehicles	Office Equipments	Spares Tools & Accessories	Total
<b>I. Cost or deemed cost</b>													
As at 1 April, 2016	2,39,29,631	1,56,40,057	4,97,33,469	19,74,830	10,90,557	2,34,626	23,08,577	12,61,845	5,26,490	9961648	2210049	2968698	11,18,40,477
Balance as at 1 April, 2016	2,39,29,631	1,56,40,057	4,97,33,469	19,74,830	10,90,557	2,34,626	23,08,577	12,61,845	5,26,490	99,61,648	22,10,049	29,68,698	11,18,40,477
Additions	26,000	-	19,65,451	-	-	12,000	9,700	24,825	-	81,2911	232875	83525	31,67,287
Disposals	-	-	-	-	-	-	-	-	-	119500	-	-	1,19,500
<b>Balance as at 31 March, 2017</b>	<b>2,39,55,631</b>	<b>1,56,40,057</b>	<b>5,16,98,920</b>	<b>19,74,830</b>	<b>10,90,557</b>	<b>2,46,626</b>	<b>23,18,277</b>	<b>12,86,670</b>	<b>5,26,490</b>	<b>1,06,55,059</b>	<b>24,42,924</b>	<b>30,52,223</b>	<b>11,48,88,264</b>
Additions	1,00,000	5,03,434	4,37,000	-	-	11,500	4,34,000	9,79,370	25105	2599818	599350	-	56,89,577
Disposals	-	-	-	-	-	-	-	-	-	1286000	-	-	12,86,000
<b>Balance as at 31 March, 2018</b>	<b>2,40,55,631</b>	<b>1,61,43,491</b>	<b>5,21,35,920</b>	<b>19,74,830</b>	<b>10,90,557</b>	<b>2,58,126</b>	<b>27,52,277</b>	<b>22,66,040</b>	<b>5,51,595</b>	<b>1,19,68,877</b>	<b>30,42,274</b>	<b>30,52,223</b>	<b>11,92,91,841</b>
<b>II. Accumulated depreciation and impairment</b>													
Balance as at 1 April, 2016	-	73,50,446	2,22,48,182	19,37,892	7,18,225	1,13,730	15,12,617	11,26,611	2,83,592	73,01,150	16,38,126	25,75,061	4,68,05,632
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-	48084	-	-	48,084
Depreciation expense	-	8,16,394	59,49,925	18,765	71,597	25,040	1,72,757	82,411	24,744	7,52,068	1,96,225	1,00,228	82,10,154
<b>Balance as at 31 March, 2017</b>	<b>-</b>	<b>81,66,840</b>	<b>2,81,98,107</b>	<b>19,56,657</b>	<b>7,89,822</b>	<b>1,38,770</b>	<b>16,85,374</b>	<b>12,09,022</b>	<b>3,08,336</b>	<b>80,05,134</b>	<b>18,34,351</b>	<b>26,75,289</b>	<b>5,49,67,702</b>
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-	961633	-	-	9,61,633
Depreciation expense	-	7,33,452	42,39,511	506	57,289	22,528	1,40,756	61,219	22,802	11,11,458	2,93,929	82,195	67,65,645
<b>Balance as at 31 March, 2018</b>	<b>-</b>	<b>89,00,292</b>	<b>3,24,37,618</b>	<b>19,57,163</b>	<b>8,47,111</b>	<b>1,61,298</b>	<b>18,26,130</b>	<b>12,70,241</b>	<b>3,31,138</b>	<b>81,54,959</b>	<b>21,28,280</b>	<b>27,57,484</b>	<b>6,07,71,714</b>
<b>III. Carrying Amount</b>													
Balance at April 1, 2016	2,39,29,631	82,89,611	2,74,85,287	36,938	3,72,332	1,20,896	7,95,960	1,35,234	2,42,898	26,60,498	5,71,923	3,93,637	6,50,34,845
Additions	26,000	-	19,65,451	-	-	12,000	9,700	24,825	-	8,12,911	2,32,875	83,525	31,67,287
Disposals	-	-	-	-	-	-	-	-	-	71416	-	-	71,416
Depreciation Expense	-	8,16,394	59,49,925	18,765	71,597	25,040	1,72,757	82,411	24,744	7,52,068	1,96,225	1,00,228	82,10,154
<b>Balance at March 31, 2017</b>	<b>2,39,55,631</b>	<b>74,73,217</b>	<b>2,35,00,813</b>	<b>18,173</b>	<b>3,00,735</b>	<b>1,07,856</b>	<b>6,32,903</b>	<b>77,648</b>	<b>2,18,154</b>	<b>26,49,925</b>	<b>6,08,573</b>	<b>3,76,934</b>	<b>5,99,20,562</b>
Additions	1,00,000	5,03,434	4,37,000	-	-	11,500	4,34,000	9,79,370	25,105	25,99,818	5,99,350	-	56,89,577
Disposals	-	-	-	-	-	-	-	-	-	324367	-	-	3,24,367
Depreciation Expense	-	7,33,452	42,39,511	506	57,289	22,528	1,40,756	61,219	22,802	11,11,458	2,93,929	82,195	67,65,645
<b>Balance at March 31, 2018</b>	<b>2,40,55,631</b>	<b>72,43,199</b>	<b>1,96,98,302</b>	<b>17,667</b>	<b>2,43,446</b>	<b>96,828</b>	<b>9,26,147</b>	<b>9,95,799</b>	<b>2,20,457</b>	<b>38,13,918</b>	<b>9,13,994</b>	<b>2,94,739</b>	<b>5,85,20,127</b>

3 Inventories	As at March 31, 2018	As at March 31, 2017	01-04-2016
Raw materials	32449854	17200488	20388881.63
Work in Progress	326400	493740	288750
Manufactured Goods	5251591	8624505	7253236.24
Stock-in-trade (traded goods)	18654455	25758913	20647363.02
<b>Total inventories at the lower of cost or NRV</b>	<b>56682300</b>	<b>52077646</b>	<b>48578231</b>

**4 Investments in Equity Instruments**  
**Break-up of investments in equity instruments**  
**(carrying amount determined using the equity**  
**method of accounting)**

Particulars	As at March 31, 2018 Amounts	As at March 31, 2017 Amounts	01-04-2016 Amounts
UnQuoted Investments (all fully paid)			
(a) Investments in Equity Instruments			
Membership in resort & Club	-	1,44,928	144928
<b>Total Aggregate Unquoted Investments</b>	<b>-</b>	<b>1,44,928</b>	<b>1,44,928</b>
Aggregate carrying value of unquoted investments	-	1,44,928	1,44,928
Aggregate amount of impairment in value of investments	-	-	-

**Investments in Equity Instruments**  
**Fair Value through profit & Loss A/c**  
**Break-up of investments in Equity Instruments**

Particulars	As at March 31, 2018 Amounts	As at March 31, 2017 Amounts	01-04-2016 Amounts
(a) Dena Bank	6831	6831	6831
(b) Reliance Petroleum Limited	0	33371	33371
(c) Unitech Limited	0	696465	1832387
(d) High Ground Enterprises Limited	4073978	4073978	3720212
(e) Apollo Tyres Ltd	0	434868	0
(f) Hindustan Petroleum Limited	0	2381069	0
(g) Reliance Industries Limited	790691	0	0
(h) KMC Speciality Hospitals Ltd	94548	0	0
(i) Anantraj Industries Ltd	122029	0	0
(j) Daawat Ltd	860376	0	0
(k) Dhampur Sugar Mills Ltd	1150920	0	0
(l) Karur Vysya Bank Ltd	131156	0	0
(m) Sintex Industries Ltd	66524	0	0
(n) Suzlon Energy Limited	159693	0	0
(o) Shilpa Medicare Ltd	113826	0	0
(p) Jayant Agro Organics Ltd	486021	355859	0
(q) Welspun India Ltd	326125	326125	0
(r) Tamilnadu Petroproducts Ltd	55083	275416	0
(s) Nutraplus Limited	2426234	2426234	2188072
<b>Total Aggregate Quoted Investments</b>	<b>1,08,64,036</b>	<b>1,10,10,216</b>	<b>77,80,873</b>
Aggregate value of Investments	1,08,64,036	1,11,55,144	7925801
Less : Fair Valuation through profit & Loss A/c	61,53,626	35,29,397	3080182
<b>Total Value of Investments</b>	<b>47,10,410</b>	<b>76,25,747</b>	<b>4845619</b>

**5 Trade Receivables**

	As at 31 March 2018	As at 31 March 2017	As at 01-04-2016
<b>Outstanding for a period exceeding 6 months from the date they are due for payment</b>			
Unsecured, considered good	14651233	9689669	8172675
<b>Other receivables</b>			
Unsecured, considered good	79720937	70148463	54199799
<b>Doubtful</b>	0	0	0
<b>Receivables from other related parties</b>			
Unsecured, considered good	0	0	0
	<b>94372170</b>	<b>79838132</b>	<b>62372474</b>

**6 Cash and cash equivalents**

	As at 31 March 2018	As at 31 March 2017	As at 01-04-2016
<b>Balances with Banks</b>			
In current accounts	2,04,305	1,86,205	22597610
On Unpaid Dividend Accounts	2,97,318	3,45,294	330779
Current deposits with maturity greater than 3 months, less than 12 months *			
<b>Cash on hand</b>	5,13,933	2,51,681	710672
Cash and cash equivalents as per balance sheet	<b>10,15,556</b>	<b>7,83,180</b>	<b>2,36,39,061</b>

**7 Loan (Secured considered good unless otherwise stated)**

	31-Mar-18 Current	31-Mar-17 Current	01-04-2016 Current
Loan to Related party	-	-	-
Other Loans	2,29,70,954	1,78,71,903	15932927
	<b>2,29,70,954</b>	<b>1,78,71,903</b>	<b>1,59,32,927</b>

**8 Other current assets**

	31-Mar-18 Current	31-Mar-17 Current	01-04-2016 Current
Office advance	1,25,000	1,25,000	125000
Prepayments	63,750	15,203	15203
Balance with Government authorities	77,29,923	1,23,53,326	1,13,98,344
Other Assets	3,48,97,242	3,43,28,450	3,50,29,993
	<b>4,28,15,915</b>	<b>4,68,21,979</b>	<b>4,65,68,540</b>

**9 Deposits**

	31-Mar-18 Current	31-Mar-17 Current	01-04-2016 Current
Security deposit [Considered good]	23,89,614	22,63,214	15,43,668
	<b>23,89,614</b>	<b>22,63,214</b>	<b>15,43,668</b>

**10 Equity Share Capital**

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Equity share capital			
<u>(a) Authorised</u>			
400,00,000 Equity Shares of Rs 2 each	8,00,00,000	8,00,00,000	8,00,00,000
<u>(b) Issued, subscribed and paid-up Share Capital</u>			
311,30,500 Equity shares of Rs 2 each fully paid up	6,22,61,000	6,22,61,000	6,22,61,000
	<b>6,22,61,000</b>	<b>6,22,61,000</b>	<b>6,22,61,000</b>

**10.01 Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

	Number of shares	Share capital (Amount)
Balance at April 1, 2016	3,11,30,500	6,22,61,000
Movements	-	-
Balance at March 31, 2017	3,11,30,500	6,22,61,000
Movements	-	-
<b>Balance at March 31, 2018</b>	<b>3,11,30,500</b>	<b>6,22,61,000</b>

Fully paid equity shares, which have a par value of Rs.2, carry one vote per share and carry a right to dividends.

**10.02 Details of shares held by each shareholder holding more than 5% shares**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number of Shares held	% holding of shares	Number of Shares held	% holding of shares	Number of Shares held	% holding of shares
Fully paid equity shares B Popattal Kothari	49,56,430	15.92%	49,56,430	15.92%	49,56,430	15.92%

The Company has only one class of shares namely equity shares comprising of nominal value of Rs 2 per equity shares. Each holder of equity shares is entitled to one vote per share. The shareholders have the right to receive interim dividends, if any, declared by the Board of Directors and final dividends proposed by the Board of Directors and approved by the shareholders. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The equity shareholders have all other rights as available to the equity shareholders as per the provisions of the Companies Act, 2013, read together with the Memorandum of Association and Articles of Association of the Company as applicable.

Out of 311,30,500 Equity shares issued subscribed and paid up, 68,00,000 (post split equivalent) Equity shares of Rs 2/- each have been issued and allotted as fully paid bonus shares on 29th December 2007 by capitalisation of General Reserves.

**11 Other equity**

	Note	As at 31-03-2018	As at 31-03-2017	As at 01 April 2016
Investment Subsidy	11.1	14,34,835	14,34,835	14,34,835
Capital Reserve		1,26,22,500	1,26,22,500	1,26,22,500
General Reserve		1,21,25,575	1,21,25,575	1,21,25,575
Share Premium A/c		5,63,27,400	5,63,27,400	5,63,27,400
Retained Earning##		7,36,24,731	6,54,75,467	5,69,87,865
		<b>15,61,35,041</b>	<b>14,79,85,777</b>	<b>13,94,98,175</b>

**11.1 Retained earnings**

	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 01 April 2016
Balance at beginning of year	6,54,75,467	5,69,87,865	552,46,346
Profit attributable to owners of the Company	81,49,264	84,87,602	53,93,251
Proposed Dividend	-	-	31,13,050
Dividend Tax	-	-	5,38,682
<b>Balance at end of year</b>	<b>7,36,24,731</b>	<b>6,54,75,467</b>	<b>5,69,87,865</b>

**12 Provisions**

	As at 31-03-2018	As at 31-03-2017	As at 01 April 2016
Provision for Employee Benefits	4692135	4264677	4225315
	<b>4692135</b>	<b>4264677</b>	<b>4225315</b>

**13 Borrowings**

	As at 31-03-2018	As at 31-03-2017	As at 01 April 2016
Loans repayable on demand:			
From Banks (Secured)	53408768.00	44020909	52395451
From others	1291536.00	633201	985084
	<b>54700304.00</b>	<b>44654110</b>	<b>53380535</b>

Short term borrowings from Banks represents working capital borrowings by way of cash credit repayable on demand. They are secured by hypothecation of raw-materials, work in progress, finished goods, book debts and a part of plant and machineries, and additionally secured by equitable mortgage by deposit of title deeds of land and personal guarantees of promoter directors.

<b>14 Trade Payables</b>	As at March 31, 2018	As at March 31, 2017	01 April 2016
Creditors for supply and services	93,56,626	44,26,157	16,81,441
<b>Total</b>	<b>93,56,626</b>	<b>44,26,157</b>	<b>16,81,441</b>

**15 Other Liabilities**

	As at March 31, 2018	As at March 31, 2017	01 April 2016
(A) Unclaimed Dividend	2,97,318	3,45,294	330779
(B) Loans and Advances - Related Parties	-	-	0
Others	9,86,153	12,80,374	757241
(C) Accrued Expenses	32,36,802	28,28,591	1797928
<b>Total</b>	<b>45,20,272</b>	<b>44,54,259</b>	<b>28,85,948</b>

**16 Revenue**

	Year ended March 31, 2018	Year ended March 31, 2017
Total Revenue from Sales	342358198	268405037
	<b>342358198</b>	<b>268405037</b>

**17 Other Income**

	Year ended March 31, 2018	Year ended March 31, 2017
<b>a) Interest income</b>		
Bank deposits	5,19,503	4,80,918
Others	41,77,099	24,47,208
	46,96,602	29,28,126
<b>b) Other non-operating income</b>		
Dividend Income	72,787	1,35,938
Rebates & Discounts	16,13,058	30,44,381
Others	6,62,841	77,295
	23,48,686	32,57,614
<b>c) Other gains and losses</b>		
Net gain/(loss) arising on financial assets designated at FVTPL	(26,24,229)	(4,49,215)
Net gain/(loss) on sale of current investments	17,62,505	7,643
	(8,61,724)	(4,41,572)
<b>(a+b+c)</b>	<b>61,83,563</b>	<b>57,44,169</b>

**18 Cost of Raw materials and components consumed**

	Year ended March 31, 2018	Year ended March 31, 2017
<u>Cost of Raw Materials Consumed</u>		
Inventory at the Beginning of the Period	1,61,52,036	1,85,24,814
Add: Purchases during the period	22,32,57,278	14,84,05,055
Less: Inventory at the end of the Period	2,89,08,049	1,61,52,036
	<b>21,05,01,265</b>	<b>15,07,77,833</b>
<u>Cost of Packing Materials</u>		
Inventory at the Beginning of the Period	15,42,193	21,52,818
Add: Purchases during the period	1,53,95,736	1,07,34,308
Less: Inventory at the end of the Period	38,68,205	15,42,193
	<b>1,30,69,724</b>	<b>1,13,44,933</b>
<b>Total Cost of Raw Materials &amp; Componets Consumed</b>	<b>22,35,70,989</b>	<b>16,21,22,766</b>

**19 Cost of traded goods sold**

	Year ended March 31, 2018	Year ended March 31, 2017
Inventory at the Beginning of the Period	3,43,83,418	2,79,00,599
Less: Inventory at the end of the Period	2,39,06,046	3,43,83,418
	<b>1,04,77,372</b>	<b>(64,82,819)</b>

**20 Employee benefits expense**

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	2,36,30,383	2,24,30,882
Director Remuneration	30,00,000	30,00,000
Contribution to provident and other funds	10,25,774	7,81,822
Gratuity expense	26,000	-
Staff welfare expenses	5,28,526	6,41,507
	<b>2,82,10,683</b>	<b>2,68,54,211</b>

**21 Finance costs**

	Year ended March 31, 2018	Year ended March 31, 2017
Continuing operations		
(a) Interest costs :-		
Interest on bank overdrafts	61,16,735	44,24,985
Loans (other than those from related parties)	1,20,319	81,797
Bank Charges	8,77,913	3,92,859
<b>Total interest expense for financial liabilities not classified as at FVTPL</b>	<b>71,14,967</b>	<b>48,99,641</b>

**22 Other expenses**

	Year ended March 31, 2018	Year ended March 31, 2017
Wire drawing charges	606340	4,15,710
Cooly & Cartage Expenses	97728	19,83,618
Freight Inward	2826658	-
<b>Factory expenses</b>		
(a) Electrical Expenses	9913500.00	76,17,349
(b) Consumables	1798475.76	11,00,893
© Factory, Garden & other Maintenance Expenses	2927339.43	25,38,375
(d) Other Expenses	362880	890114
Total Factory Expenses	15002195	12146731
Advertisement	925867.02	1,82,464
Auditors remuneration	188000	1,80,500
Books & Periodicals	5905	6,288
Commission, Brokerage&Discount	1443223	21,32,037
Insurance	254998.72	2,61,988
Approval charges	391360	2,91,563
General Charges	13,37,299	13,21,357
Postage & telegram	52421.88	1,60,143
Printing & stationeries	238782.74	4,75,178
Rent, rates & taxes	1366056	9,57,100
Listing fees & custodial fees	357341	3,01,900
Telephone expenses	165551.43	2,31,569
Travelling expenses	633007.44	1,56,384
Vehicle maintenance(car)	286121.84	2,66,249
Vehicle maintenance(others)	1304460.91	11,95,365
Business promotion expenses	649916.46	18,35,522
Professional charges	884700	6,98,270
Sitting Fees	60000	74,500
Software Expenses	32000	12,600
Donation	16200	45,000
Subscriptiun charges	1408	1,200
Cartage, coolie and freight outwards	951293	5,84,262
Electricity charges	146080	1,05,706
Bad debts	144593.18	37,512
Loss on Investments written off	144928	-
	<b>3,05,14,435</b>	<b>2,60,60,717</b>
<b>Payments to auditors</b>		
a) For Statutory audit	36,000	36,000
b) for Tax Audit	32,000	32,000
c) VAT Audit	25,000	20,000
d) For other services [Incl. Reimbursements]	95,000	92,500
	<b>1,88,000</b>	<b>1,80,500</b>



**Notes forming part of Financial Statements**
**Note 1. Company Overview**

Rasi Electrodes Limited is a Public Limited Company incorporated in India under the Companies Act, 1956. Its registered office is located at No.21, Raja Annamalai Road, A-14 Rams Apartments, Purasawalkam, Chennai – 600 084. It has a factory in Chennai towards manufacture of Mild Steel Electrodes and Copper Coated Welding wire. The Company's shares are listed on BSE Limited.

**Note 23. Summary of Significant Accounting Policies**
**Basis of preparation and presentation of financial statements**

I The financial statements for the period up to 31.03.2017 were prepared in accordance with Accounting Standards notified under section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014 (previous GAAP). Pursuant to the mandatory requirement for adoption of Indian Accounting Standards (IND AS) as notified by Ministry of Corporate Affairs (MCA), the Company has prepared its financial statements for the year commencing 01-04-2017 in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time. The comparative figures in the financial statements with respect to the previous year have been restated in accordance with IND AS requirements. While preparing these financial statements, the Company has first prepared its opening Balance sheet as per INDAS requirements as at 01-04-2016.

ii) The significant accounting policies used in preparing the financial statements are set out in Note No.25

**Note 23.1. First time adoption of INDAS**

The financial statements for the year commencing 01-04-2017 are the first financial statements prepared in accordance with IND AS. The Reconciliation and description of the effect of transition from previous GAAP to IND AS on Equity, Statement of Profit and Loss are provided as below. The Balance sheet as on the date of transition has been prepared in accordance with INDAS 101 - First time adoption of Indian Accounting Standards (INDAS). All applicable IND AS were applied consistently and retrospectively in preparation of the first IND AS Financial Statements with certain mandatory exceptions and voluntary exemptions for the specific cases as provided under INDAS 101.

**Reconciliation of Balance sheet as on 31-03-2017**

Particulars	Note	As at March 2017			As at March 2016		
		Previous GAAP	Effect of Transition to IND AS	IND As	Previous GAAP	Effect of Transition to IND AS	Ind AS
<b>ASSETS</b>							
<b>Non-current assets</b>							
(a) Property, Plant and Equipment		5,99,20,562	-	5,99,20,562	6,50,34,845	-	6,50,34,845
(b) Capital Work in Progress		3,85,167	-	3,85,167	-	-	-
(c) Deferred Tax Asset		(10,10,248)	-	(10,10,248)	(6,40,181)	-	(6,40,181)
<b>Total Non - Current Assets</b>		5,92,95,481		5,92,95,481	6,43,94,664	-	<b>6,43,94,664</b>
<b>Current assets</b>							
(a) Inventories		5,20,77,646	-	5,20,77,646	4,85,78,231	-	4,85,78,231
(b) Financial assets							
(i) Investments	a	1,11,55,144	(35,29,398)	76,25,746	79,25,801	(30,80,182)	48,45,619
(ii) Trade Receivables		7,98,38,132	-	7,98,38,132	6,23,72,474	-	6,23,72,474
(iii) Cash and cash equivalents		7,83,179	-	7,83,179	2,36,39,061	-	2,36,39,061
(iv) Bank balances other than (iii) above		65,13,776	-	65,13,776	60,80,949	-	60,80,949
(v) Loans	b	1,78,71,903	-	1,78,71,903	1,59,32,927	-	1,59,32,927
(C) Other Current Assets	b	4,68,21,979	-	4,68,21,979	4,65,68,540	-	4,65,68,540
(d) Deposits	b	22,63,214	-	22,63,214	15,43,668	-	15,43,668
<b>Total current assets</b>		21,73,24,973	(35,29,398)	21,37,95,575	21,26,41,651	(30,80,182)	<b>20,95,61,469</b>
<b>Total assets</b>		27,66,20,454	(35,29,398)	27,30,91,056	27,70,36,315	(30,80,182)	<b>27,39,56,133</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
(a) Equity Share capital		6,22,61,000	-	6,22,61,000	6,22,61,000	-	6,22,61,000
(b) Other equity	a, c	15,26,29,880	(46,44,103)	14,79,85,777	14,41,74,174	(46,75,999)	13,94,98,175
(c).Share application money pending allotment		-			2,02,500	-	2,02,500
<b>Total Equity</b>		21,48,90,880	(46,44,103)	21,02,46,777	20,66,37,674	(46,75,999)	20,19,61,675
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
(a) Provisions	b	31,49,972	11,14,705	42,64,677	26,29,498	15,95,817	42,25,315
<b>Current liabilities</b>							
(a) Financial Liabilities							
(i) Borrowings		4,46,54,110	-	4,46,54,110	5,33,80,535	-	5,33,80,535
(ii) Trade payables		44,26,157	-	44,26,157	16,81,441	-	16,81,441
(b) Provisions		50,45,077	-	50,45,077	98,21,219	-	98,21,219
(b) Other current liabilities		44,54,258	-	44,54,258	28,85,948	-	28,85,948
<b>Total Current Liabilities</b>		5,85,79,602	-	5,85,79,602	6,77,69,143	-	<b>6,77,69,143</b>
<b>Total Liabilities</b>		6,17,29,574	11,14,705	6,28,44,279	7,03,98,641	15,95,817	7,19,94,458
<b>Total Equity and Liabilities</b>		27,66,20,454	(35,29,398)	27,30,91,056	27,70,36,315	(30,80,182)	<b>27,39,56,133</b>

**Reconciliation of Profit & Loss A/c for the period 31-03-2017**

Particulars	Note	Previous GAAP	Effect of Transition to IND AS	IND As
Revenue from Operations		26,84,05,037		26,84,05,037
Other Income	a	61,93,384	(4,49,215)	57,44,169
<b>Total Income</b>		<b>27,45,98,421</b>	<b>(4,49,215)</b>	<b>27,41,49,206</b>
<b>Expenses</b>				
Cost of Raw materials and components consumed		16,21,22,766		16,21,22,766
Purchases of stock in trade		3,83,31,352		3,83,31,352
Changes in inventories of finished goods, work in progress & Stock in trade		(64,82,819)		64,82,819
Employee benefit expense		2,68,54,211		2,68,54,211
Finance costs	d	45,06,782	(3,92,860)	48,99,641
Depreciation and amortisation expense		82,10,154	-	82,10,154
Other expenses	d	2,69,74,050	9,13,333	2,60,60,717
<b>Total expenses</b>		<b>26,05,16,496</b>	<b>5,20,473</b>	<b>25,99,96,022</b>
<b>Profit/(loss) before tax</b>		<b>1,40,81,925</b>	<b>71,258</b>	<b>1,41,53,184</b>
Tax expense				
(1) Current tax		50,45,077		50,45,077
(2) Prior Period tax		2,11,076		2,11,076
(3) Deferred tax		3,70,067	10,136	3,80,203
		56,26,220	10,136	56,36,356
<b>Profit (Loss) for the period from continuing operations</b>		<b>84,55,705</b>	<b>61,122</b>	<b>85,16,828</b>
Profit before tax from discontinued operations		-		-
Tax expense from discontinued operations		-		-
<b>Profit after tax from discontinued operations</b>		<b>-</b>		<b>-</b>
<b>Profit/(loss) for the period</b>		<b>84,55,705</b>	<b>61,122</b>	<b>85,16,828</b>
<b>Other comprehensive income for the period</b>				
<b>Other comprehensive income</b>				
Items that will not be reclassified to Profit or Loss in subsequent periods				
- Re-measurement gains/ (losses) on defined benefit plans		-	39,362	39,362
- Income tax expense relating to above items		-		
(a) deferred tax relating to the above		-	(10,136)	(10,136)
<b>Other comprehensive income for the period, net of tax</b>		<b>-</b>	<b>29,226</b>	<b>29,226</b>
<b>Total comprehensive income for the period</b>		<b>84,55,705</b>	<b>31,896</b>	<b>84,87,602</b>

**Reconciliation of Total Equity as at 31<sup>st</sup> March 2017 and 1<sup>st</sup> April 2016**

Particulars	Notes	As at March 31 2017	As at April 01 2016
Total Equity Share holders fund under previous GAAP		214890880	206637674
Fair value of Investment through P & L	a	3529398	3080182
Actuarial Loss on re-measurement of employees defined benefit plans	d	1114705	1595817
<b>Total Equity Under IND AS</b>		<b>210246777</b>	<b>201961675</b>

**Remeasurement of Total Comprehensive Income for the year ended 31st March 2017**

Particulars	Notes	Year ended 31st March 2017
Profit as per Previous GAAP		8455705
<b>Adjustments</b>		
Actuarial (Gain)/Loss on Employee defined benefits plan and reclassification in other Comprehensive Income [Net of Tax]	d	510337
Fair value of Investment through P & L	a	-449215
Other Comprehensive Income [Net of Tax]		29226
		8487600

### **Notes**

- a) Investments has been measured as per the fair value measurement policy as contained in the Note No. 25.20 of significant accounting policies.
- b) Reclassification of Loans and Advances and other Current/Non-Current assets/Liabilities presented under Previous GAAP to financials assets, other current assets, deposits, financial liabilities and provisions as per INDAS requirements.
- c) Actuarial (Gain)/Loss on Employee defined benefits plan and reclassification from other expenses under previous GAAP to other comprehensive income.
- d) Reclassification of Bank charges under previous GAAP from other expenses to finance cost as per the INDAS requirements.

### **A) Mandatory Exceptions from retrospective application**

The Company has applied the following exceptions to the retrospective application of INDAS as mandatorily required under INDAS 101:

#### **(i) Estimates**

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under INDAS, as there is no objective evidence of an error in those estimates. However, estimates that were required under INDAS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

#### **(ii) Classification and measurement of financial assets**

The Company has evaluated the facts and circumstances existing on the date of transition to INDAS for the purpose of classification and measurement of financial assets and accordingly has classified and measured financial assets on the date of transition.

### **B) Voluntary Exemptions from retrospective application**

IND AS 101 permits first-time adopters certain exemptions from retrospective application of certain requirements under IND AS. The Company has elected to apply the following optional exemptions from retrospective application:

#### **(i) Deemed cost for property, plant and equipment and intangible assets**

The Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to INDAS.

#### **(ii) Designation of previously recognized financial instruments**

The company has designated all investment in an equity instruments at FVTPL in accordance with IND AS 109, based on the assessment made on the date of transition to INDAS.

### **Note 24. Basis of Measurement**

The financial statements have been prepared on accrual basis under historical cost convention except for certain financial instruments (Refer Note 25.17- Accounting Policy for Financial Instruments) which are measured at fair value.

### **Note 25. Significant Accounting Policies**

#### **25.1 Property, Plant and Equipment (PPE)**

- i). Property, Plant and Equipment are stated at cost of acquisition net of accumulated depreciation/ amortization and impairment losses if any, except free hold land which is carried at cost less impairment losses if any. The cost comprises purchase prices, (Including import duties and non-refundable purchase taxes after deducting discounts and rebates) borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.
- ii) The Company identifies the significant parts of plant and equipment separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives. The cost of replacement of significant parts is capitalized and the carrying amounts of replaced parts are de-recognized. When each major inception/ overhauling is performed, its cost is recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/ overhauling (as distinct from physical parts) is de-recognized.
- iii) Other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalization criteria in accordance with IND AS 16 are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.
- iv) PPEs are eliminated from the financial statements on disposal or when no further benefit is expected from its use or disposal. Gains or losses arising from disposal of plant, property and equipment are measured as the difference between the net disposal proceeds and the carrying amount of such assets are recognized in the statement of profit and loss.
- v) Depreciation for plant and machinery has been provided on Straight line method and for all other assets Written down value method has been followed.
- vi) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.
- vii) Upon first- time adoption of INDAS, the company has elected to measure all its property, plant, equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to INDAS i.e., 1st April, 2016.

#### **25.2 Capital Work in progress**

Capital work in progress includes cost of property, plant and equipment under installation, under development including related expenses and attributable interest as at reporting date.

**25.3 Current or Non-Current classification**

An asset or liability is classified as current if it satisfies any of the following conditions:

- i) Asset or liability is expected to be realized in the company's normal settlement cycle.
- ii) Asset is intended for sale or consumption.
- iii) Asset or liability is held primarily for the purpose of trading.
- iv) Asset or liability is expected to be realized or settled within twelve months after reporting period.

**25.4 Intangible assets**

i) Intangible assets, if any, are amortized over their useful life as determined in accordance with the extent provision of the Companies act 2013

**25.5 Inventories**

- i) Inventories are valued at cost or net realizable value whichever is lower. Cost includes the cost incurred in bringing the inventories to their present location and condition.
- ii) Raw materials, stores and spares are valued at cost or net realizable value whichever is lower. Cost includes the cost incurred in bringing the inventories to their present location and condition.
- iii) For valuation of finished goods / stock-in-process, cost includes material, direct labour, overheads (other than abnormal amount of wasted materials, storage costs, selling and administrative overheads) wherever applicable.

**25.6 Revenue Recognition**

- i) Revenue is recognized to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- ii) Sale of products is recognized when the significant risk and reward of ownership of the goods have been passed to the buyer as per the terms of contract. Revenue is measured at fair value of the consideration received or receivable, net of any discounts taxes or duties collected on behalf of the government which are levied on sales such as VAT, GST, etc.
- iii) Dividend income, if any, is recognized when the company's right to receive dividend is established by the reporting date.
- iv) Interest income from financial assets is recognized at the effective interest rate applicable on initial recognition.
- v) Scrap sales is recognized at the fair value of consideration received or receivable upon transfer of significant risk and rewards. It comprises of invoice value of goods and after deducting applicable taxes on sale.
- vi) Export sales for exports are accounted on the basis of date of bill of landing
- vii) Export incentives are accounted for an export of goods of the entitlements can be estimated with reasonable accuracy and conditions precedents to claims are fulfilled.

**25.7 Employee Benefits**

- i) Short-term employee benefits viz., salaries and wages are recognized as expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered.
- ii) Defined contribution plan viz., contribution to provident fund is recognized as an expense in the statement of profit and loss for the year in which the employees have rendered services. The company contributes to provident fund administered by the Government on a monthly basis at 12% of employee's basic salary. There are no other obligation other than the above defined contribution plan.

**iii) Defined Benefit Plan.****Gratuity:**

- a. The Company's Liability is actuarially determined (Using the projected unit credit method) at the end of each year. Actuarial losses/Gains are recognized in the other comprehensive income in the year in which they arise. Remeasurement recognized in other comprehensive income reflected immediately in retained earnings and is not reclassified to profit or loss.

**iv) Other employee benefits :****Leave Encashment:**

As per policy of the company unavailed leave, casual leave/ earned leave cannot be carried forward or encashed and hence there is no additional cost. The company recognizes the cost as expense as and when the employee avails paid leave.

**25.8 Provision, Contingent Liability and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Provisions are determined by discounting the expected future cash flows at a pre- tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. Contingent liabilities not provided for, are disclosed in the accounts by way of Notes.

**25.9 Cash Flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

**25.10 Borrowing Cost**

Borrowing cost that are attributable to the acquisition/Construction/Acquisition/Production of qualifying assets (Assets which requires substantial period of time to get ready for its intended use) are capitalized as part of the cost of that asset. All other borrowing cost are charged to revenue.

### **25.11 Government Subsidy / Grant**

Grants from the government are recognized at their fair value where there is reasonable assurance that the grant will be received and the company will comply with all attached conditions. All govt grants are initially recognized by way of setting up as deferred income. Govt grants relating to income are subsequently recognized in the profit or loss over the period necessary to match them with the cost that they are intended to compensate. Govt grants relating to the purchase of property plant and equipment are subsequently recognized in profit or loss on a systematic basis over the expected life of the related depreciable asset. Grants recognized in the profit and loss A/c as above are presented with in other income.

### **25.12 Foreign Currency Transactions**

Foreign Currency Transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions and from translation of monetary assets and liabilities at the reporting date exchange rates are recognized in the statement of Profit and Loss. Non- monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rates at the date of transaction.

### **25.13 Earnings per Share**

Basic Earnings per share is calculated by dividing the Net profit or loss after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is determined by adjusting the Profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

### **25.14 Income Tax**

The tax provision is considered as stipulated in IND AS 12 and includes current and deferred tax liability. The company recognizes the accumulated deferred tax liability based on accumulated time difference using current tax rate. The company as a conservative measure does not reckon deferred tax asset. Both the current tax and deferred tax liability relating to items recognized outside the profit or loss is recognized either in "other Comprehensive Income" or directly in "Equity" as the case may be.

The company has considered credit entitlement of Minimum Alternate Tax (MAT) where it is reasonably certain that the credit will be available for set-off in accordance with the provision of the Income Tax Act, 1961.

### **25.15 Segment Reporting**

As the company has only one business segment i.e., Textile and only one geographical segment, the segment reporting requirement as per IND AS 108 is not applicable to the company.

### **25.16 Impairment of Non-financial Assets**

- i) The carrying values of non-financial assets are reviewed for impairment at each Balance Sheet date, if there is any indication of impairment based on internal and external factors.
- ii) Non-financial assets are treated as impaired when the carrying amount of such asset exceeds its recoverable value. After recognition of impairment loss, the depreciation / amortization for the said assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.
- iii) An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.
- iv) An impairment loss is reversed when there is an indication that the impairment loss may no longer exist or may have decreased.

### **25.17 Financial Instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

### **25.18 Financial Asset**

- i) Financial assets comprise of investments in Equity, Trade Receivables, Cash and Cash Equivalents and Other Financial Assets.
- ii) Depending on the business model (i.e) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:
  - a) Amortized cost; or
  - b) Fair value through Other Comprehensive Income (FVTOCI); or
  - c) Fair value through Profit or Loss (FVTPL)
  - d) Amortized cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.
- iii) The Company classifies its financial assets for measurement as below:-

Basis of Measurement	Financial Assets
Amortized cost	Trade receivables, Loan and advances given to Employees and related parties, deposits and other advances recoverable in cash or kind.
FVTPL	Investment in Equity instruments Forward exchange contracts.

- iv) The company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On De-recognition of a financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognized in the statement of profit and Loss.
- v) The company assesses at each balance sheet date whether the financial asset or group of financial assets is impaired. INDAS 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

#### **25.19 Financial Liability**

- i) Financial liabilities comprise of Borrowings from Banks, Trade payables, Derivative financial instruments, financial guarantee obligation and other financial liabilities.
- ii) The Company measures its financial liabilities as below:

Basis of Measurement	Financial Liability
Amortized cost	Borrowings, trade payables, interest accrued, Unclaimed/ Disputed dividends, security deposits and other financial liabilities not for trading.
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under IND AS 109.

- iii) Financial liabilities are derecognized when and only when it is extinguished (i.e) when the obligation specified in the contract is discharged or cancelled or expired.
- iv) Upon de-recognition of its financial liabilities or part thereof, the difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed is recognized in the Statement of Profit and Loss.

#### **25.20 Fair value measurement**

- i) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- ii) The fair value of an asset or a liability is measured / disclosed using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in the economic best interest.
- iii) All assets and liabilities for which fair value is measured are disclosed in the financial statements are categorized within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:  
 Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities  
 Level 2: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are directly or indirectly observable.  
 Level 3: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are unobservable.
- iv) For assets and liabilities that are recognized in the Balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization at the end of each reporting period (i.e) based on the lowest level input that is significant to the fair value measurement as a whole.
- v) For the purpose of fair value disclosures, the company has determined the classes of assets and liabilities based on the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.
- vi) The basis for fair value determination for measurement and / or disclosure purposes is detailed below:

#### **a. Investments in Equity**

The fair value is determined by reference to their quoted prices at the reporting date. In the absence of the quoted price, the fair value of the equity is measured using generally accepted valuation techniques.

#### **b. Forward exchange contracts**

The fair value of forward exchange contracts is based on the quoted price if available; otherwise it is estimated by discounting the difference between contractual forward price and current forward price for the residual maturity of the contract using government bond rates.

#### **c. Non-derivative financial liabilities**

The fair value of non-derivative financial liabilities viz, borrowings are determined for disclosure purposes calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

#### **25.21 Significant Estimates and Judgments**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

Accordingly, the management has applied the following estimates / assumptions / judgments in preparation and presentation of financial statements:

**(i) Property, Plant and Equipment, Intangible Assets and Investment Properties**

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by technical team duly reviewed by the management at each reporting date. Wherever the management believes that the assigned useful life and residual value are appropriate, such recommendations are accepted and adopted for computation of depreciation/ amortization. Also, management judgment is exercised for classifying the asset as investment properties or vice versa.

**(ii) Current Taxes**

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgments by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

**(iii) Contingent Liabilities**

Management judgments is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

**(iv) Impairment of Trade receivables**

The impairment for financial assets are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgments considering the past history, market conditions and forward looking estimates at the end of each reporting date.

**(v) Impairment of Non-financial assets (PPE/Intangible Assets / Investment Properties)**

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgments considering the timing of future cash flows, discount rates and the risks specific to the asset.

**(vi) Defined Benefit Plans and Other long term benefits**

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rate are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions.

**(vii) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgments is exercised in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

**NOTE 26: OTHER SIGNIFICANT NOTES:**
**26.1.. Directors' Remuneration**

Managing Director's Remuneration	YE 31.03.2018	YE 31.03.2017
Salary	2400000	2400000
Perquisites	600000	600000
Total	3000000	3000000
Other Directors remuneration	Nil	Nil

The above managerial remuneration has been paid as minimum remuneration in the absence or inadequacy of profits as approved by the shareholders.

**26.2..Auditors' Remuneration:**

Auditors remuneration	YE 31.03.2018	YE 31.03.2017
Audit fees	36000	36000
Tax Audit fees	32000	32000
Certification fees	80000	82500
Vat Audit fees	25000	20000
Reimbursement of expenses	15000	10000
TOTAL	188000	180500

26.3.. The details of contingent liability not provided for in the books of accounts as on 31<sup>st</sup> March 2018 are as follows:

Details of contingent liability	YE 31.03.2018 Amount Rs.	YE 31.03.2017 Amount Rs.
Letter of Credit	1,09,80,615	36,32,194

26.4..Related Party Transactions during the year ended 31<sup>st</sup> March 2018:

**1. Relationships**

- a. Key Management Personnel
  - Mr B. Popatlal Kothari - Managing Director
  - Mr P Kashyap Kothari –CFO
- b. Relatives of Key Managerial Personnel:
  - Mr P Nitya Kothari

2. Transactions carried out with related parties referred to in 1 above, in ordinary course of business:

Name of the related party	Amount Rs.	Nature of transaction
Mr B Popatlal Kothari	3000000	Remuneration (including perquisites)
Mr. B Popatlal Kothari	384000	Rent for Office
	405000	Rental Advance for Office Premises
Mr P Kashyap Kothari	1475000	Remuneration
P Nitya Kothari	684000	Rent for Godown
	420000	Rental Advance for Godown

26.5.. The Company operates in a single segment and as such disclosures under segmental reporting is not applicable.

26.6. Loans made to parties with no specific repayment schedule:

Name of the parties	Balance as at 31.03.2018	Purpose for which the loan was proposed to be utilized as indicated by the party
H.S. Syndicate	900000	Business
J Haja Funyamin	750000	Business
Bhushan Fin Corporation	2500000	Business
Nageswari	224000	Business
Amrutlal P Jain	500000	Business
Bhushan Kothari (Huf)	1000000	Business
Adeswar Investment	1344000	Business
Sha Ratanraj Mahendra kumar	896000	Business
Heena Doshi	1500000	Business
Jamu Bai	2500000	Business
Jitendra Kumar	1500000	Business
Vishal Kothari Huf	1000000	Business
Navochemi India Pvt Ltd	1284861	Business
Vishal Investment	3000000	Business
SKB Enterprises	738150	Business
M Sudhakar	489000	Business
Vijayalakshmi Enterprises	1500000	Business
Kushal Ashok Solanki	163988	Business
M Nageswari	250000	Business
Akshay Kothari	305955	Business
Sri Manikandan Enterprise	625000	Business

26.7. The Depreciation on tangible assets have been computed based on useful life of assets, under straight line method as prescribed under Schedule II to the Companies Act, 2013.

26.8. Earnings and Expenditure in Foreign Exchange:

SNo.	Details	FYE 31.03.2018	FYE 31.03.2017
1	CIF Value of imports:		
	Raw materials, stores and spares	31832240	24047528
	Capital goods	Nil	1742210
2	Expenditure in foreign currency (Travelling)	64614	Nil
3	Earnings in foreign exchange:		
	FOB Value of Exports	Nil	2960316

26.9. The figures have been rounded off to the nearest rupee.

As per our report attached  
For SURESHKUMAR & Co.  
Chartered Accountants  
FRN:004273S

B. RANJIT KUMAR KOTHARI  
Director

for and behalf of the Board of Directors  
B POPATLAL KOTHARI  
Managing Director

SURESHKUMAR B  
Proprietor.  
M. No.028376

JAGRUTI JAIN  
Company Secretary

P KASHYAP KOTHARI  
Chief Financial Officer

Place: Chennai  
Date : 30<sup>TH</sup> MAY 2018



**MGT-11 Proxy form**

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

CIN : L52599TN1994PLC026980  
 Name of the Company : **RASI ELECTRODES LIMITED**  
 Registered office : Flat A-14, Rams Apartments, 3<sup>rd</sup> Floor, 21, Raja Annamalai Road, Purasawalkam, Chennai-600084

Name of the member (s) : .....  
 Registered address : .....  
 E-mail Id : .....  
 Folio No/ Client Id : .....  
 DP ID : .....

I/We, being the member (s) of the Company holding..... Equity shares hereby appoint

1. Name: ..... Address: .....  
 Email id: ..... Signature: ....., or failing him
2. Name: ..... Address: .....  
 Email id: ..... Signature: ....., or failing him
3. Name: ..... Address: .....  
 Email id: ..... Signature: ....., or failing him as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 24th Annual General Meeting of the Company to be held on Wednesday, the 26th September 2018 at 09.30 a.m at G.K.PARTY HALL, No.12/13, Sivananda Nagar, 200 Feet Road, Kolathur, CHENNAI-600099 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Vote (optional)*		
		For	Against	Abstain
I	<b>ORDINARY BUSINESS:</b>			
1	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March 2018 (Ordinary resolution)			
2	Re-appointment of Mrs Payal Jain as a Director liable for retirement by rotation (Ordinary resolution)			
II	<b>SPECIAL BUSINESS:</b>			
3	Re-appointment of Mr Hitesh M Dharamshi as an Independent Director for 2 <sup>nd</sup> term of five years from 1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2024 (Special resolution)			
4	Re-appointment of Mr Ajay Goyal as an Independent Director for 2 <sup>nd</sup> term of five years from 1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2024 (Special resolution)			

Signed this..... day of..... 2018

Signature of shareholder.....

Signature of Proxy holder(s).....

AFFIX  
 Re 1/-  
 Revenue  
 Stamp

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

**RASI ELECTRODES LIMITED****CIN: L52599TN1994PLC026980**

Registered Office: A-14, Rams Apt, 21, Raja Annamalai Road, Third Floor, Purasawalkam, Chennai-600084

**ATTENDANCE SLIP**

Please complete this attendance slip and hand it over at the entrance of the hall

I, hereby record my attendance at the 24<sup>th</sup> Annual General Meeting of the members of RASI ELECTRODES LIMITED to be held on WEDNESDAY, 26<sup>th</sup> SEPTEMBER 2018 at 9.30 A.M. at the G.K.PARTY HALL, No.12/13, Sivananda Nagar, 200 Feet Road, Kolathur, CHENNAI-600099.

<b>DP ID :</b>	<b>CLIENT ID :</b>	<b>FOLIO No. :</b>
<b>NAME AND ADDRESS OF SHAREHOLDER (IN BLOCK CAPITALS)</b>	<b>NAME OF PROXY (if the shareholder is represented by Proxy)</b>	

.....  
SIGNATURE OF THE SHARE HOLDER.....  
SIGNATURE OF PROXY

**Route map for the venue of AGM of Rasi Electrodes Ltd to be held on Wednesday 26th September 2018**

