

# Rapicut Carbides Limited

## Regd. Office & Works :

119, GIDC Industrial Area,  
Ankleshwar - 393 002, Gujarat (India)  
Tel. : ++91 (2646) 251118, 221071, Fax : 251019  
e-mail : info@rapicutcarbides.com  
Web site : www.rapicutcarbides.com  
CIN : L28910GJ1877PLC002998



**Corporate Relationship Dept./  
Market Operations Department  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai - 400 001.  
Fax : 022-2272 3121/2272 1919**

REF: RCL:KMS:BSE-SEBI-REGULN-34(1)/16:

Date: 1st October, 2016

**Sub: Submission of Annual Report.  
Ref: Scrip Code: 500360**

Dear Sir,

Pursuant to Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith the soft copy of 39<sup>th</sup> Annual Report for the Financial year 2015-16.

Hard Copy of the Annual Report will be sent to you through courier.

We request you to kindly take the same on record.

Thanking You,

Yours Truly,  
For **RAPICUT CARBIDES LIMITED**

A handwritten signature in blue ink, appearing to read 'Kamlesh M. Shinde', is written over the printed name.

**Kamlesh M. Shinde  
(Company Secretary and Compliance Officer)**

Encl: As above.





*Rapicut*

**Rapicut Carbides Limited**

**AN ISO 9001:2008 COMPANY**

**39**

**THIRTY NINTH  
ANNUAL REPORT  
2015-2016**





## Quality Policy

*Total customer satisfaction shall be our prime corporate objective. We shall achieve this through inculcating team spirit in every member of the company.*

*The spirit of excellence is the corner stone of all we do. Quality with us is a way of life. Value for money to the customer, continuous improvement and moving towards zero defect is our consistent endeavour.*

*We shall continually meet statutory & legal requirement along with customer requirement.*

**J. C. Bhatia**  
Managing Director

## BOARD OF DIRECTORS

J.C. Bhatia	Managing Director
L.M. Bijlani	Non-Executive Director
C.G. Cholera	Non-Executive Director
B.V. Dholakia	Independent Director
D.D. Kanitkar	Independent Director
C.J. Bhatia	Executive Director
Gayatri Parikh	Independent Director

### Management Team

B. D. Markad  
Vice President (Operations)

A. R. Master  
Chief Financial Officer

Kamlesh M. Shinde  
Company Secretary & Compliance Officer

A. C. Gandhi  
Sr. Manager (Production)

Sanjay Kumar  
Sr. Manager (Marketing)

### Consultant Team

P. A. Kale  
Sr. Technical Consultant

R. V. Krishnan  
Marketing Consultant

K. S. Dave  
HR & Admin Consultant

### Registrars & Share Transfer Agents

Sharex Dynamic (India) Pvt. Ltd.,  
Unit-1, Luthra Ind. Premises,  
Safed Pool, Andheri-Kurla Road,  
Andheri (E), Mumbai - 400 072.  
Tel: 022-2851 5606 / 5644  
Email: sharexindia@vsnl.com

### Bankers

State Bank of India

### Auditors

D. N. Shukla & Company  
Chartered Accountants  
(Up to 31st March, 2016)

Maloo Bhatt & Co.  
Chartered Accountants  
(From 1st April, 2016)

### Registered Office & Works :

119, GIDC Industrial Area,  
Ankleshwar - 393 002.  
Ph. : 02646 - 251118  
Fax : 02646 - 251019  
CIN : L28910GJ1977PLC002998  
E-mail : info@rapicutcarbides.com  
investors@rapicutcarbides.com  
Web : www.rapicutcarbides.com

### Area Sales Offices At :

Door No. 78/84, 1st Floor,  
Block- "B", Anandham Enclave,  
Dharga Road, Zamin Pallavaram,  
Chennai - 600 043.

1/29-B, Prince Gulam  
Mohammed Road,  
Kolkata - 700 026.

201-Sonal Building, Plot No.113,  
RSC-11, Sector No. 1, Charkop,  
Near King George School,  
Kandivali (West),  
Mumbai - 400 067.

7, Shivaji Housing Society,  
Pune - 411 016.

Sales Representative  
Bangalore

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# 39th ANNUAL REPORT

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**NOTICE**  
**39th Annual General Meeting**

NOTICE is hereby given that the 39th Annual General Meeting of the Members of Rapicut Carbides Limited will be held on Thursday, the 29th September, 2016 at 12.00 noon at Hotel Sadanand, Rajpipla Road, Ankleshwar - 393 002, Gujarat, to transact the following ordinary business :

1. To receive, consider and adopt the Audited Financial Statements including the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and Cash Flow Statement for the financial year ended on that date, the Reports of the Board and Auditors thereon.
2. To declare a dividend for the financial year ended 31st March, 2016.
3. To appoint a Director in place of Shri. Lalit M Bijlani (DIN: 01382116) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s Maloo Bhatt & Co., Chartered Accountants, Vadodara as Statutory Auditors of the Company and in this regard, to consider and pass the following resolution as an Ordinary Resolution:

**“RESOLVED** THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification, amendment, substitution or re-enactment thereof for the time being in force, M/s Maloo Bhatt & Co., Chartered Accountants, Vadodara, (ICAI Firm Registration No. 129572W) being eligible and having Peer Review Certificate be and is hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company to be held in the year 2017 at such Remuneration plus Service Tax, Out-of-Pocket, Travelling Expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

**By Order of the Board**

Place: Mumbai  
Date: 27th July, 2016

**Kamlesh Shinde**  
Company Secretary

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## NOTES

1. A member entitled to attend and vote at the 39th Annual General Meeting (hereinafter "the meeting") is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. The Instrument appointing Proxy should, however be submitted at the Registered Office of the Company not less than Forty-Eight hours before the commencement of the meeting. Proxies submitted on behalf of Bodies Corporate, Societies, AMC's must be supported by appropriate resolutions, as applicable. Blank proxy form is enclosed.

Pursuant to the provision of Section 105 of the Companies Act, 2013 a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Members/Proxies/Authorized Representatives are requested to bring their copy of the Annual Report to the Meeting alongwith duly filled in Attendance Slips enclosed herewith for attending the meeting.
3. Corporate Members intending to send their Authorised Representative to attend the Meeting are requested to send to the Company a Certified Copy of the Board Resolution authorizing their Representative to attend and/or vote on their behalf at the Meeting.
4. The Annual Report duly circulated to the Members of the Company, is available on the Company's Website at 'www.rapicutcarbides.com' and on the website of Central Depository Services (India) Ltd. at [www.evotingindia.com](http://www.evotingindia.com). Shareholders can register their complaints, if any, on an exclusive e-mail id [investors@rapicutcarbides.com](mailto:investors@rapicutcarbides.com) which has been designated for the said purpose.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 23rd September, 2016 to Thursday, 29th September, 2016 (both days inclusive) for the purpose of payment of dividend.
6. Dividend for the financial year ended 31st March, 2016, as recommended by the Board of Directors of the Company, if approved at the Annual General Meeting, will be paid to Members on or after 29th September, 2016.
7. Members holding shares in the physical mode are requested to address their communications regarding transfer of shares, change of address etc., quoting their folio number(s) to the Company's Registrar & Share Transfer Agents:

### **Sharex Dynamic (India) Private Limited**

Unit-1, Luthra Ind. Premises,  
1st Floor, 44-E, M Vasanti Marg,  
Andheri Kurla Rd, Safed Pool  
Andheri (E), Mumbai- 400072  
Tel: 022 28515606/5644  
Fax: 022 28512885  
Email ID: [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)  
Website : [www.sharexindia.com](http://www.sharexindia.com)

8. In terms of Section 72 of the Companies Act, 2013, read with the applicable rules thereto, every holder of shares in the Company may nominate, in the prescribed manner, a person to whom his/her shares in the Company shall vest, in the event of his/her death. Nomination Forms can be obtained from the Registrar & Share Transfer Agents of the Company.
9. Members seeking any information or clarification on the Annual Report are requested to send written queries to the Company, atleast one week before the date of the Meeting to enable the Company to compile the information and provide replies at the Meeting.
10. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays and Sundays, between 11.00 a.m. and 1.00 p.m. up to the day prior to the day of the Meeting.
11. The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules). The objective of the IEPF Rules is to help the shareholders ascertain Status of the unclaimed amounts and overcome the problem due to misplacement of intimation thereof by post etc. the company has uploaded the information in respect of the Unclaimed Dividends in respect of the Financial years 2008 - 2009 to 2014 -2015 on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under "Investor Section" on the website of the Company viz. [www.rapicutcarbides.com](http://www.rapicutcarbides.com).

12. In Compliance with Section 205A and 205C of the Companies Act, 1956, the Company has transferred the unpaid and unclaimed dividends for the financial year ended 31st March, 2008 to the Investor Education and Protection Fund (the IEPF) established by the Central Government.

In terms of Section 205A(5) of the Companies Act 1956, all unpaid and unclaimed dividend for the financial year ended 31st March 2009 will be transferred to the Investor Education and Protection Fund set up by the Government u/s 205C of the Companies Act 1956, on 31st October, 2016 and thereafter no claim shall lie against the Company in respect of the said unpaid or unclaimed amount. Shareholders may approach Central Government for claiming the dividend transferred to Investor Education and Protection Fund. The Company has uploaded the information in respect of Unclaimed Dividends for the years 2008-2009 to 2014-2015 on the website of the Company.

13. The Company's shares are listed on BSE Limited. The Company has paid the listing fees for the financial year 2016-17 to BSE Ltd. The Company has also paid custodial fees for the year 2016-17 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
14. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Company has served Annual Reports and other communications through electronic mode to those Members who have registered their e-mail addresses either with the Company or with the Depository. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request. Members willing to avail various notices, communications and documents including Annual Reports in electronic mode are requested to write to the Company accordingly and register their e-mail ID's with the Company by intimating the same to the Registrar and Share Transfer Agents of the Company.
15. A route map showing directions to reach the venue of the 39th Annual General Meeting is given at the end of the notice as per the requirement of Secretarial Standards-2 on "General Meeting".
16. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide members, the facility to exercise their right to vote at the 39th Annual General Meeting by electronic means. The Instructions in this behalf are stated hereinbelow:

**Remote e-voting facility:**

- A) The Company has appointed Central Depository Services (India) Limited ("CDSL") to provide the remote e-voting facility. In case of any query pertaining to e-voting, please visit Help & FAQ's section of CDSL e-voting website: [www.evotingindia.com](http://www.evotingindia.com).
- B) Mr. Sushil Samdani or in his absence Mr Suresh Kabra, Partners of M/s Samdani Shah and Associates, Practicing Company Secretaries, Vadodara have been appointed as the Scrutinizer to scrutinize the e-voting process (including the polling papers received from the members who do not have access to the e-voting process) in a fair and transparent manner.
- C) Any person, who acquires shares of the Company and becomes a Member of the Company after despatch of the Notice of AGM and holding shares as on the cut-off date ie. 22nd September, 2016, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or [investors@rapicutcarbides.com](mailto:investors@rapicutcarbides.com). However, if a person is already registered with CDSL for e-voting then existing user ID and password can be used for casting vote.
- D) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- E) The facility for voting through ballot papers shall be made available at the Annual General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through ballot paper.
- F) The Scrutinizer will immediately after the conclusion of voting at the meeting, count the votes cast at the meeting, thereafter will unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. Scrutinizer not later than 3 days of conclusion of the meeting will submit a consolidated scrutinizer report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing.

G) The results along with the Scrutinizer's Report will be placed on the website of the Company and on the website of Central Depository Services (India) Limited and will be communicated to BSE Limited.

**H) The Instructions for e-voting are as under:**

- a) The voting period begins on Monday, 26th September, 2016, at 9.00 am and ends on Wednesday, 28th September, 2016, at 5.00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- c) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- d) Click on Shareholders.
- e) Now Enter your User ID
  - i. For CDSL: 16 digits beneficiary ID,
  - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- f) Next enter the Image Verification as displayed and Click on Login.
- g) 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.
- h) 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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• 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>• 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)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• 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 (d).</li> </ul>

- i) After entering these details appropriately, click on "SUBMIT" tab.
- j) 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.
- k) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- l) Click on the EVSN for the Rapicut Carbides Limited on which you choose to vote.
- m) 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.



- n) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- o) 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.
- p) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- q) You can also take out print of the votes cast by clicking on “Click here to print” option on the Voting page.
- r) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- s) 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. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- t) 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 they have to create 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.
- u) 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).

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Details of the Director seeking appointment / re-appointment at the Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions are as under:

**Item No. 3:**

Name of the Director	Mr. Lalit M. Bijlani
Date of Birth	5th August, 1950
Date of Appointment	30th March, 1984
Qualification	Arts Graduate
Experience in specific functional areas	Finance, Admin, Marketing, Legal, Management
Directorships in other Public Companies	Nil
Chairman/ Member of the Committees of the Board of Directors of the Company	Member in Stake Holder’s Relationship Committee
Chairman/Member of the Committees of the Board of Directors of the other Companies in which he is a Director	Nil
No. of Shares held in the Company	Nil
Inter-se Relationship between Directors	Nil
Director Identification Number	01382116



## **BOARD'S REPORT**

### TO THE MEMBERS

Your Directors take pleasure in presenting their 39th Annual Report along with the Audited Financial Statements for the financial year ended 31st March, 2016. The Company operates only in one business segment viz., Tungsten and Tungsten Carbide Products.

### **FINANCIAL HIGHLIGHTS**

(Rs. in Lakhs)

<b>Particulars</b>	<b>Year ended 31st March, 2016</b>	<b>Year ended 31st March, 2015</b>
Sales and Other Income	3762.04	4355.46
Less: Excise Duty	413.02	485.83
Sales and Other Income (Net)	3349.02	3869.63
Profit before Depreciation and Tax (Including Deferred Tax)	293.62	399.63
Profit after Depreciation and Tax	145.78	225.33
Add: Profit brought forward from previous year	774.20	670.16
Less : (i) Prior period adjustment	0.66	3.71
Profit available for appropriation	919.32	891.78
Appropriations :		
Proposed Dividend	64.45	64.45
Tax on Proposed Dividend	13.12	13.12
Transfer to General Reserve	20.00	40.00
Profit carried to Balance Sheet	821.75	774.20

### **DIVIDEND**

After considering earnings, requirement for funds and with the objective of rewarding the shareholders, your Directors have maintained and recommend a dividend of Rs.1.20 (12%) per equity share for the year 2015-16 (Previous year Rs.1.20 per equity share i.e.12%), subject to the approval of shareholders. If approved, the dividend will absorb Rs.77.57 Lakhs, including Corporate Dividend Tax, Surcharge and Education Cess.

### **TRANSFER TO RESERVES**

Your Directors propose to transfer Rs. 20.00 Lakhs to the General Reserve out of the current year's profit and the balance aggregating to Rs. 821.75 Lakhs is proposed to be retained in the Profit and Loss Account.

### **TUNGSTEN CARBIDE INDUSTRY STRUCTURE, PERFORMANCE, DEVELOPMENT, OVERVIEW & OUTLOOK**

It is satisfying to note that overall buoyancy in market conditions witnessed in the last quarter of 2015-16 continued as we entered 2016-17. This can reasonably be read as a healthy indicator of how the year 2016-17 may shape if this environment extends into the subsequent quarters.

Your Directors are glad to report that the Company has been awarded an order worth Rs. 7.50 crores by Neyveli Lignite Corporation Limited and this order is to be executed by February, 2017. This order combined with the regular orders of the Company's Mining Products should result in a higher growth in the Mining Products category in the current fiscal year. The Company is fully geared to meet this enhanced demand.

Referring to the previous year's Board Report, Members may please note that substantial progress has been made towards completion of the Project for manufacturing Indexable Inserts / Cutting Tools. All the equipment/machines ordered are expected to be installed and expected to be commissioned by the end of October, 2016. Thereafter the trials will be conducted and commercial production will commence from January, 2017 onwards.

### FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The overall market conditions in the year 2015-16 were far from satisfactory. Consequently, barring a few select products the demand scenario was overall sluggish. Signs of buoyancy were, however, quite visible in the last quarter of the year.

During the year it was noticed that sales could have been perceptibly higher if the Company had agreed to relax credit terms offered to some customers in the Mining segment. However, management thought it prudent not to do so.

The Product wise Performance of the Company is mentioned below:

Sr. No.	Particulars of Products Manufactured	12 Months ended 31/03/2015	12 Months ended 31/03/2016
1.	Metal Cutting	366779 (Nos.)	479170 (Nos.)
2.	Mining	938302 (Nos.)	848298 (Nos.)
3.	Wear Parts	52861 (Nos.)	48844 (Nos.)
4.	Intermediates	23469 (Kgs)	21498 (Kgs)
5.	TC Tool Room Products	1744 (Nos.)	6677 (Nos.)

During the Financial Year 2015-16 the Turnover was Rs 33.49 Crores compared to Rs 38.69 Crores in Financial Year 2014-15. The Turnover dropped by 13.61% due to sluggish demand for the Products. The Net Profit in the Financial Year 2015-16 was Rs 1.45 Crores compared to Rs 2.21 Crores in the Financial Year 2014-15, the drop by 34.38% was largely due to increase in Raw Material Costs, Employee costs, and other Miscellaneous Expenses.

### OPPORTUNITIES, THREATS, RISKS & CONCERNS

With the Government taking a positive stance by lifting curbs on mining operations and granting new leases in several mines located in Eastern India & Northern India. Mining activity is bound to pick up leading to good demand for our Products. With the Make in India initiatives Government ordinance factories will henceforth purchase 30% to 40% of their requirement from domestic manufacturer. This also presents a significant opportunity for growth to our Company.

However Risks are an integral part of any business and the risk profile, to a great extent, depends on the climatic conditions, economic and business conditions and the markets/customers we serve.

The Company's risk management is based on the philosophy of achieving sustained growth while mitigating and managing risks involved.

Few of the risks associated with our businesses are enumerated below:

- Fluctuations in demand and price for finished products viz. Mining Inserts, Metal Cutting and wear parts, etc.
- Fluctuations in the price and availability of key raw materials viz. Blue/Yellow Tungsten Oxide, Cobalt Metal Powder and energy costs.
- Increase in interest rates.
- Adverse fluctuations in the exchange rate of the Rupee against US Dollar.
- Changes in government policies affecting the Mining and general Engineering Industry.
- Accidents, natural disasters or outbreaks of disease.



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## **INTERNAL CONTROL SYSTEMS, THEIR ADEQUACY & COMPLIANCE**

The Company has an extensive system of internal controls to ensure optimal utilisation of resources and accurate reporting of financial transactions and strict compliance with applicable laws and regulations. The Company has put in place sufficient system to ensure that assets are safe guarded against loss from unauthorised use or disposal and that transactions are authorised, recorded and reported correctly.

## **SAFETY AND HEALTH**

The health and safety of the employees across its operations remains the highest priority for the Company. All endeavours are being taken to enhance safety standards and processes towards minimising safety risks in all operations in the Company.

## **HUMAN RESOURCES/INDUSTRIAL RELATIONS**

Humans are considered as one of the most critical resources in the business who can be continuously nurtured to maximize the effectiveness of the Organization. Human resources build the Enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's Policies and Systems. All personnel continue to have healthy, cordial and harmonious approach thereby enhancing the contributory value of the Company.

Number of Employees at the Beginning of the year	:	99
Number of Employees Recruited during the year	:	19
Number of Employees Resigned during the year	:	01
Number of Employees Retired during the year	:	05
Number of Employees at the End of the year	:	112

## **WHISTLE BLOWER/VIGIL MECHANISM**

The Company has established a Whistle Blower/Vigil Mechanism through which its Directors, Employees and Stakeholders can report their genuine concerns about unethical behaviours, actual or suspected fraud or violation of the Company's code of conduct policy. The said Policy provides for adequate safeguards against victimization and also direct access to the higher levels of supervisors.

## **CORPORATE GOVERNANCE AND REPORT THEREON**

Pursuant to Regulation 15 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the compliance with the Corporate Governance provisions as specified in Regulations 17 to 27 and para C, D and E of Schedule V is not applicable to the Company as the paid up share capital is less than Rs. 10 Crores and net worth is also less than Rs. 25 Crores as on the last day of previous financial year. Hence Corporate Governance Report is not furnished.

## **MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred during the financial year of the Company.

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

### **A. CONSERVATION OF ENERGY**

- a) Energy Conservation measures taken:
  1. Close monitoring of consumption of electricity, Diesel and water.
  2. Optimum use of Energy by Switching off Machines, Lights, Fans, Air Conditioners and Exhaust Systems whenever not required.
  3. Creating awareness among Workmen to conserve energy.
- b) Impact of measures
  1. Due to measures taken as described above, the overall power and fuel oil consumption at plants and office has not increased significantly. However the cost of production on account of power has increased due to increase in cost per unit.
  2. Total energy consumption and energy consumption per unit of production

Sr. No.	Particulars	2015-2016	2014-2015
(a)	<b>Purchased:-</b>		
	<b>I Electricity</b>		
	(i) Unit (KWH)	1887277	1877488
	(ii) Total Amount (Rs in Lakhs)	147.06 Lakhs	141.37 Lakhs
	(iii) Rate/Unit (Rs.)	7.79	7.54
(b)	<b>Own Generation</b>		
	(i) Coal	Not Applicable	Not Applicable
	(ii) Furnace Oil- KI	Not Applicable	Not Applicable
	(iii) Internal Generation- Units (DG Set)	14083	10824

## B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company has not imported any technology during the year under review.

## C. Foreign Exchange Earnings and Outgo

During the Period under review:

	2015-16	Rs. In Lakhs
a) Foreign exchange earnings by the Company was :	32.81	61.66
b) Foreign exchange expenditure was :	1263.13	1398.22

## RISK MANAGEMENT FRAMEWORK

The Company has the risk assessment and mitigation procedures in place and the Board has been kept informed of such assessment.

## CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in "Annexure A" of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Policy is available on the Web-Site of the Company. The amount could not be spent as the Company was exploring for good project for CSR in the vicinity of its factory i.e. Ankleshwar, Gujarat. However, in absence of the good project satisfying the requirement of CSR the amount of Rs. 8,19,500/- required to be spent on CSR for the financial year 2015-2016 was spent during the financial year 2016-17 by making payment to the Prime Minister's National Relief Fund.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not granted any loans, guarantees and investments for the financial year ended 31st March, 2016 under Section 186 of the Companies Act, 2013.

## RELATED PARTY DISCLOSURES

The particulars of Contracts or Arrangements entered into with related parties under Section 188 of the Companies Act 2013 are furnished in "Annexure B" and is attached to this report.

## COMPANY'S POLICY RELATING TO APPOINTMENT OF DIRECTORS AND KEY MANAGERIAL PERSONNEL, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES.

The Company's Policy relating to appointment of Directors and Key Managerial Personnel, payment of Managerial Remuneration, Director's Qualifications, positive attributes, and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in "Annexure C" and is attached to this report.

## EXTRACT OF ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in "Annexure D" and is attached to this Report.

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## **BOARD MEETINGS HELD DURING THE FINANCIAL YEAR UNDER REVIEW**

During the financial year under review, the Company held four Board Meetings as under:

- |                      |                        |
|----------------------|------------------------|
| 1. 29th May, 2015    | 3. 7th November, 2015  |
| 2. 11th August, 2015 | 4. 11th February, 2016 |

All the Board Meetings were well attended and there was no gap of one hundred twenty days between any two board meetings.

## **DIRECTORS RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the Annual Financial Statements for the year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures if any;
- b. that such accounting policies as mentioned in **Note 27** of the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Annual Financial Statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## **SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY**

The Company does not have any Subsidiary, Joint venture or Associate Company.

## **DEPOSITS FROM PUBLIC**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

## **DECLARATION OF INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

## **AUDITORS**

The Company appointed M/s. Maloo Bhatt & Co., Chartered Accountants, Vadodara by Circular Resolution due to casual vacancy which occurred by resignation of M/s. D. N. Shukla & Co., Chartered Accountants, Mumbai. The appointment of M/s. Maloo Bhatt & Co., Chartered Accounts, Vadodara is made for one year subject to approval by share holders in ensuing Annual General Meeting and will hold office till conclusion of next Annual General Meeting to be held in the year 2017, the resolution has been mentioned at item no. 4 to the notice. The Board places of record its appreciation for the guidance and counsel given by M/s. D. N. Shukla & Co., outgoing Auditors of the company for 18 years.

The Statutory Auditors report does not contain any qualification, reservation or adverse remark. Further that there was no fraud reported by Auditors under sub-section (2) of Section 143 of the Companies Act, 2013 other than those reportable to the Central Government.

## **Cost Auditors**

The provisions for the Cost Audit are not applicable to the Company and hence the Company is not required to appoint Cost Auditor.



## SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Samdani Shah & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure E". There is no qualification or observation in the said report.

## COMPOSITION OF AUDIT COMMITTEE AND MEETINGS HELD DURING THE FINANCIAL YEAR

The Audit Committee consists of the following members:

1. Shri. Bhumitra V Dholakia- Chairman.
2. Shri. Dhananjay D Kaniitkar- Member.
3. Shri. Jagdish C Bhatia- Member.

The above composition of the Audit Committee consists of Independent Directors viz., Mr Bhumitra V Dholakia and Mr Dhananjay D Kaniitkar who form the majority.

During the financial year under review, the Company held four Audit Committee Meetings as under:

- |                      |                        |
|----------------------|------------------------|
| 1. 29th May, 2015    | 3. 7th November, 2015  |
| 2. 11th August, 2015 | 4. 11th February, 2016 |

All the committee meetings were well attended and recommendations of the audit committee were accepted by the Board.

## NOMINATION AND REMUNERATION COMMITTEE AND STAKE HOLDERS RELATIONSHIP COMMITTEE

The Company has duly constituted Nomination and Remuneration Committee and Stake Holders Relationship Committee.

## MANAGERIAL REMUNERATION

Particulars of Employees pursuant to Section 134(3)(q) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Requirement under Rule 5	Details
1.	Ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the Financial Year	Shri. Jagdish C Bhatia, Managing Director : 1:0.1117 Shri. Chander J Bhatia, Executive Director : 1:0.1284
2.	Percentage increase in remuneration of each Director, Chief Financial Officer, Executive Director, Company Secretary	Shri. Jagdish C Bhatia, Managing Director : (-0.97) Shri. Chander J Bhatia, Executive Director : (-1.74) Shri. Ashwin R Master, Chief Financial Officer : 6.97 Shri. Kamlesh M Shinde, Company Secretary : 35.94
3.	Percentage increase in the median remuneration of employees in the financial year	Increase by 11.99
4.	Number of permanent Employees as on 31st March, 2016 on the rolls of the Company	88 Employees
5.	Average percentile increase made in the salaries of employees other than the managerial personnel in last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Managerial Personnel : 1.97 Other Personnel : 5.16
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration is as per the Nomination and Remuneration Policy of the Company.

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

The Company has set up an Internal Complaints Committee (ICC) for providing a Redressal Mechanism pertaining to Sexual Harassment of Women employees at workplace. There was no complaint received during the year under review.

**GENERAL DISCLOSURES**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of Equity Shares with differential rights as to dividend, voting or otherwise.
2. Issue of Shares (including Sweat Equity Shares) to employees of the Company under any scheme.
3. The Company has not resorted to any Buy Back of its shares during the year under review.
4. 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.
5. The Company is not required to submit Business Responsibility Report in pursuance of Regulation 34 (2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**ACKNOWLEDGEMENTS**

Your Directors would like to place on record their sincere appreciation for the support and assistance extended by the Company's Suppliers, Bankers and Business Associates. Your Directors are thankful to the esteemed Shareholders for their continued support and the confidence reposed in the Company and its Management.

**For and on behalf of the Board**

Place : Mumbai  
Date : 27th July, 2016

**Chetan G. Cholera**  
(Director)

**Jagdish C. Bhatia**  
(Managing Director)

## Annexure A

### Annual Report on Corporate Social Responsibility activities for the financial year 2015-16

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:

The Company's CSR Policy provides for carrying out CSR activities in the area as mentioned in Schedule VII of Companies Act, 2013 and as amended from time to time. The CSR spend may be carried out by way of donation to Prime Minister's National Relief Fund or any fund set up by Central Government or State Government. Weblink to the CSR Policy of the Company: [www.rapidcutcarbides.com/finance.htm](http://www.rapidcutcarbides.com/finance.htm)

2. The Composition of CSR Committee:

(1) Shri. Jagdish Bhatia – Chairman (2) Shri. Dhananjay D Kanitkar – Member (3) Shri. Bhumitra V Dholakia - Member

3. Average Net Profit of the Company for the last three financial years : Rs 4,09,74,835/-.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs 8,19,497/-.

5. Details of CSR Spent during the financial year :

- Total amount to be spent for the financial year: Rs 8,19,497/-
- Amount unspent, if any: Rs 8,19,497/-
- Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads 1. Direct Expenditure on projects or programs 2. Overheads:	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
-	-	-	-	-	-	-	-

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report: The company could not locate appropriate institution engaged in CSR Activities. The amount could not be spent as the Company was exploring for good project for CSR in the vicinity of its factory i.e. Ankleshwar, Gujarat. However, in absence of the good project satisfying the requirement of CSR the amount of Rs. 8,19,500/- required to be spent on CSR for the financial year 2015-2016 was spent during the financial year 2016-17 by making payment to the Prime Minister's National Relief Fund.

7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

**For and on behalf of Board of Directors**

Place : Mumbai  
Date : 27th July, 2016

**Jagdish C. Bhatia**  
Chairman of CSR Committee and Managing Director



## Annexure B

### FORM AOC-2 – Related Party Transactions

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

Sr. No.	Particulars	Details of contracts or arrangements or transactions not at arm's length basis	Details of material contracts or arrangement or transactions at arm's length basis		
1.	Name(s) of the related party and nature of relationship	None	Smt. Dayawanti J Bhatia (Wife of Managing Director of the Company)	Shri. Chander J Bhatia (Executive Director of the Company)	Shri. Chander J Bhatia (Executive Director of the Company)
2.	Nature of contracts/ arrangements/transactions	None	Flat rented to Company for accommodation of Managing Director of the Company.	Flat rented to Company for its Mumbai Sales Branch Office.	Flat rented to Company for utilizing it as Company's Guest House
3.	Duration of the contracts	None	11 Months Leave and Licence Agreement.	11 Months Leave and Licence Agreement.	11 Months Leave and Licence Agreement.
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	None	Rs 60000/- rent per month	Rs 19440/- rent per month	Rs 15000/- rent per month
5.	Justification for entering into such contracts or arrangements or transactions	None	The rent paid to Smt. Dayawanti J Bhatia are at prevailing market rate and at arms length basis	The rent paid to Shri. Chander J Bhatia are at prevailing market rate and at arms length basis	The rent paid to Shri. Chander J Bhatia are at prevailing market rate and at arms length basis
6.	Date(s) of approval by the Board	None	07/02/2015	29/05/2015	29/05/2015
7.	Amount paid as advances, if any:	None	Refundable Deposit of Rs 10,15,000/-	Refundable Deposit of Rs 4,50,000/-	Refundable Deposit of Rs 30,000/-
8.	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	None	Not Applicable	Not Applicable	Not Applicable

**For and on behalf of Board of Directors**

Place : Mumbai  
Date : 27th July, 2016

**Chetan G. Cholera**  
Director

**Jagdish C. Bhatia**  
Managing Director

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## Annexure C

### Nomination and Remuneration Policy of the Company

#### **POLICY RELATING TO APPOINTMENT OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND PAYMENT OF REMUNERATION**

##### **Introduction**

In terms of the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time this policy of nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

##### **Objectives**

- Formulate criteria and terms and conditions with regard to person who are qualified to become Directors, Key Managerial Personnel, Senior Management Personnel and to determine their remuneration.
- Formulate criteria for evaluation of Directors, Key Managerial Personnel and Senior Management Personnel.
- Recommending to the Board, appointment and/or removal of Directors, Key Managerial Personnel, Senior Management Personnel.

##### **Effective Date of Implementation**

This policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on August 09, 2014. The policy shall be operative with immediate effect.

##### **Definitions**

**Company:** Company means Rapicut Carbides Limited.

**Directors:** Directors means the Directors of the Company whether executive or Non-Executive.

**Board:** Board means Board of Directors of the Company.

**Committee:** Committee means the Nomination and Remuneration Committee of the Company constituted by the Board.

**Independent Director:** A director mentioned under clause 49 of the Listing Agreement and Section 149 of the Companies Act, 2013 & who is a non-executive Director other than a nominee director appointed by the Banks, Financial Institutions.

**Key Managerial Personnel:** Key Managerial Personnel (hereinafter named as KMP) according to section 2(51) of the Companies Act, 2013, in relation to company, means-

- i) Chief Executive Officer or the Managing Director or the Manager
- ii) Company Secretary
- iii) Whole time Director
- iv) Chief Financial Officer
- v) Such other officer as may be prescribed.

**Senior Management Personnel:** Senior Management Personnel means all the members one level below the Executive Directors and includes the Functional Heads.

##### **Applicability of Policy**

The Policy shall be applicable to all the Directors (executive and non-executive) including Independent Directors, Key Managerial Personnel and Senior Management Personnel.

##### **Appointment of Directors, KMP and Senior Management Personnel**

- i) the candidate should possess adequate qualification, experience and expertise for the position he/she is considered for appointment;
- ii) the Committee shall formulate the criteria for determining qualifications, experience, personal traits for appointment of Directors, KMP and Senior Management Personnel;

- iii) the Committee shall have discretion to decide whether qualification, experience possessed by the candidate to be considered for appointment as Director, KMP and Senior Management Personnel is sufficient for the concerned profile;
- iv) the appointment of Directors, KMP and Senior Management Personnel shall be according to Section 149, 152, 196 and 203 of the Companies Act, 2013 & the Listing Agreement of BSE;
- v) the candidate recommended by the member for directorship shall not possess any disqualifications as mentioned under section 164 of the Companies Act, 2013;
- vi) the Committee authorises the Managing Director to select the candidate and recommend to the Committee for the relevant profile.

#### **Remuneration to Directors, KMP and Senior Management Personnel**

- i) the Committee shall recommend the remuneration to be paid to Managing Director, Executive Director, KMP and Senior Management Personnel;
- ii) the remuneration shall be sufficient and reasonable to attract and retain talent;
- iii) the remuneration payable to Directors, KMP and Senior Management Personnel shall not exceed the limits mentioned in Section 197 & 198 of the Companies Act, 2013 & Schedule V of the Companies Act, 2013;
- iv) all the directors of the Company shall be paid fixed percentage of commission on Net Profits;
- v) fixed sitting fees shall be paid to non-executive directors and independent directors for attending board meeting;
- vi) fixed monthly remuneration shall be paid to Managing Director, Executive Director, KMP and Senior Management Personnel;
- vii) the annual variable pay of Managing Director, Executive Director, KMP, Senior Management Personnel is linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's objectives fixed in the beginning of the year;
- viii) independent directors shall not be entitled to any stock option of the Company.

#### **Resignation by Directors, KMP & Senior Management Personnel**

- i) Director may tender his/her resignation as per the Section 168 of the Companies Act, 2013;
- ii) Managing Director, Executive Director, KMP and Senior Management Personnel may tender their resignation as per their employment contract and/or terms of appointment;

#### **Removal of Directors, KMP & Senior Management Personnel**

- i) Directors may be removed from their position as per Section 169 of the Companies Act, 2013 by passing an ordinary resolution;
- ii) Nominee Directors and Directors appointed by Tribunal shall not be removed as per Section 169 of the Companies Act, 2013 before the expiry of their term;
- iii) Managing Director, Executive Director, KMP and Senior Management Personnel may be removed from their position if they are found to breach any of the terms of their appointment.

#### **Retirement of Directors, KMP & Senior Management Personnel**

- i) the director shall retire by rotation as per the Section 152 of the Companies Act, 2013;
- ii) independent director shall not retire by rotation as per Section 152 of the Companies Act, 2013;
- iii) KMP & Senior Management Personnel shall retire as per the prevailing policy of the Company;
- iv) the Board will have discretion to retain Director, KMP & Senior Management Personnel in the same position and/or remuneration or otherwise even after attaining the age of retirement for the benefit of the Company.

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## Annexure D

### FORM MGT – 9 – Extract of Annual Return

#### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2016

[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)	CIN	L28910GJ1977PLC002998
II)	Registration Date	5th April, 1977
III)	Name of the Company	Rapicut Carbides Limited
IV)	Category Sub-Category of the Company	Public Company Company having Share Capital
V)	Address of the Registered Office and Contact Details	119, GIDC Industrial Area, Ankleshwar- 393002 Tel No: 02646 251118 Fax No: 02646 251019 Website: www.rapicutcarbides.com Email Id: info@rapicutcarbides.com
VI)	Whether listed Company	Yes
VII)	Name, Address and Contact Details of Registrar and Transfer Agent, if any:	Sharex Dynamic (India) Pvt Limited Unit- 1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (E), Mumbai - 400 072 INDIA Phone No.:+91-22-28515606, 28515644 Fax No.: +91-22-28512885 E-mail:sharexindia@vsnl.com Website: www.sharexindia.com

#### II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are as given below :

Name and Description of main products/ services	NIC Code of the Product/Service	% to total turnover of the Company
Tungsten and Tungsten Carbide Products	42922	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any Holding, Subsidiary and Associate Company.

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

i) Category-wise Share Holding :

Category of Shareholders	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	
<b>A. Promoters</b>									
(1) Indian		-							
a) Individual	1303960	1125	1305085	24.30	1306392	-	1306392	24.32	0.02
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	625746	-	625746	11.65	625746	-	625746	11.65	-
e) Banks / FI					-	-	-	-	-
f) Any other (NRI)	51242	-	51242	0.95	51242	-	51242	0.95	-
<b>Sub-Total (A)(1)</b>	<b>1980948</b>	<b>1125</b>	<b>1982073</b>	<b>36.90</b>	<b>1983380</b>	<b>-</b>	<b>1983380</b>	<b>36.93</b>	<b>0.03</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	4750	4750	0.09	-	4750	4750	0.09	-
b) Banks / FI	1000	375	1375	0.03	1000	375	1375	0.02	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>1000</b>	<b>5125</b>	<b>6125</b>	<b>0.12</b>	<b>1000</b>	<b>5125</b>	<b>6125</b>	<b>0.11</b>	<b>-</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp									
i) Indian	144800	18574	163374	3.04	169485	18574	188059	3.50	0.46
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1472750	724717	2197467	40.91	1511719	672629	2184348	40.66	-0.25
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	759638	102687	862325	16.05	901880	73937	975817	18.16	2.11
c) Others (specify)									
Non Resident Indians	23370	6437	29807	0.55	20690	187	20877	0.39	-0.16
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	130074	-	130074	2.42	12639	-	12639	0.23	-2.19
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies-D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>2530632</b>	<b>852415</b>	<b>3383047</b>	<b>62.98</b>	<b>2616413</b>	<b>765327</b>	<b>3381740</b>	<b>62.96</b>	<b>-0.02</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>2531632</b>	<b>857540</b>	<b>3389172</b>	<b>63.10</b>	<b>2617413</b>	<b>770452</b>	<b>3387865</b>	<b>63.07</b>	<b>-0.03</b>
<b>C. Shares held by Custodian for GDRs and ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4512580</b>	<b>858665</b>	<b>5371245</b>	<b>100</b>	<b>4600793</b>	<b>770452</b>	<b>5371245</b>	<b>100%</b>	<b>-</b>

**ii) Shareholding of Promoters and entities of Promoter Group :**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during 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	Pragya Equities Pvt Ltd	625746	11.65	-	625746	11.65	-	-
2	Chetan Gopaldas Cholera	256212	4.77	-	256212	4.77	-	-
3	Bharti Chetan Cholera	285537	5.32	-	285537	5.32	-	-
4	Kanayalal Gagandas Narumalani	40500	0.75	-	40500	0.75	-	-
5	Khushal Gagandas Narumalani	14937	0.28	-	14937	0.28	-	-
6	Dayawanti Jagdish Bhatia	300585	5.60	-	300585	5.60	-	-
7	Lalit Mohan Bijlani	-	-	-	-	-	-	-
8	Superb Royal Travels And Tours Pvt	-	-	-	-	-	-	-
9	*Meera Shankar Pendsay	223962	4.17	-	225269	4.19	-	0.02
10	Jagdish Chetandas Bhatia	69010	1.29	-	69010	1.29	-	-
11	Chander Bhatia	57687	1.07	-	57687	1.07	-	-
12	Shashidhar Jagdish Bhatia	56655	1.06	-	56655	1.06	-	-
13	Girish Jagdish Bhatia	51242	0.95	-	51242	0.95	-	-

\* 1307 shares transferred and Dematted.

**iii) Change in Promoter's Shareholding :**

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	<b>JAGDISH C BHATIA</b>				
	Opening Balance	69010	1.29	69010	1.29
	Shares bought during the period 01/04/2015 to 31/03/2016	-	-	-	-
	Shares sold during the period 01/04/2015 to 31/03/2016	-	-	-	-
	Closing Balance	69010	1.29	69010	1.29



**iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors and Promoters) :**

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>1</b>	<b>GIRISH BHUTRA</b>				
	Opening Balance	-	-	-	-
	Shares bought during the period 01/04/2015 to 31/03/2016	134000	2.49	134000	2.49
	Shares sold during the period 01/04/2015 to 31/03/2016	-	-	-	-
	Closing Balance	134000	2.49	134000	2.49
<b>2</b>	<b>DEEPAK K NATESAN</b>				
	Opening Balance	115377	2.15	115377	2.15
	Shares bought during the period 01/04/2015 to 31/03/2016	-	-	-	-
	Shares sold during the period 01/04/2015 to 31/03/2016	14978	0.28	100399	1.87
	Closing Balance	100399	1.87	100399	1.87
<b>3</b>	<b>PUSHPA KUMAR</b>				
	Opening Balance	94000	1.75	94000	1.75
	Shares bought during the period 01/04/2015 to 31/03/2016	-	-	-	-
	Shares sold during the period 01/04/2015 to 31/03/2016	-	-	-	-
	Closing Balance	94000	1.75	94000	1.75
<b>4</b>	<b>G V NAGABRAHMA</b>				
	Opening Balance	-	-	-	-
	Shares bought during the period 01/04/2015 to 31/03/2016	84323	1.57	84323	1.57
	Shares sold during the period 01/04/2015 to 31/03/2016	-	-	-	-
	Closing Balance	84323	1.57	84323	1.57
<b>5</b>	<b>SHASHI RANI GUPTA</b>				
	Opening Balance	54453	1.01	54453	1.01
	Shares bought during the period 01/04/2015 to 31/03/2016	1949	0.04	56402	1.05
	Shares sold during the period 01/04/2015 to 31/03/2016	-	-	-	-
	Closing Balance	56402	1.05	56402	1.05
<b>6</b>	<b>RAJIV KHANNA</b>				
	Opening Balance	37681	0.70	37681	0.70
	Shares bought during the period 01/04/2015 to 31/03/2016	-	-	-	-
	Shares sold during the period 01/04/2015 to 31/03/2016	-	-	-	-
	Closing Balance	37681	0.70	37681	0.70
<b>7</b>	<b>MONARCH NETWORK CAPITAL LTD</b>				
	Opening Balance	28393	0.53	28393	0.53
	Shares bought during the period 01/04/2015 to 31/03/2016	40436	0.75	68929	1.28
	Shares sold during the period 01/04/2015 to 31/03/2016	34540	0.64	34389	0.64
	Closing Balance	34389	0.64	34389	0.64
<b>8</b>	<b>P SAHARSH</b>				
	Opening Balance	7000	0.13	7000	0.13
	Shares bought during the period 01/04/2015 to 31/03/2016	26350	0.49	33350	0.62
	Shares sold during the period 01/04/2015 to 31/03/2016	-	-	-	-
	Closing Balance	33350	0.62	33350	0.62
<b>9</b>	<b>GAJANAN BHALCHANDRA JOGLEKAR</b>				
	Opening Balance	42275	0.79	42275	0.79
	Shares bought during the period 01/04/2015 to 31/03/2016	-	-	-	-
	Shares sold during the period 01/04/2015 to 31/03/2016	11835	0.22	30440	0.57
	Closing Balance	30440	0.57	30440	0.57
<b>10</b>	<b>JITENDRA RAMNIKLAL POOJ (HUF)</b>				
	Opening Balance	30307	0.56	30307	0.56
	Shares bought during the period 01/04/2015 to 31/03/2016	-	-	-	-
	Shares sold during the period 01/04/2015 to 31/03/2016	-	-	-	-
	Closing Balance	30307	0.56	30307	0.56

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

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Chetan Gopaldas Cholera	256212	4.77	256212	4.77
2	Jagdish Bhatia	69010	1.28	69010	1.28
3	Chander Bhatia	57687	1.07	57687	1.07
4	Dhananjay D Kanitkar	750	0.01	750	0.01
5	Bhumitra V Dholakia	625 (2 <sup>nd</sup> Joint Holder)	0.01	625	0.01
6	Gayatri Parikh	5000	0.09	5000	0.09
7	Lalit Mohan Bijlani	Nil	Nil	Nil	Nil
8	Ashwin R Master	Nil	Nil	Nil	Nil
9	Kamlesh M Shinde	Nil	Nil	Nil	Nil

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	-	-	-	-
i) Principal Amount	2,88,51,987	-	-	2,88,51,987
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6355	-	-	6355
<b>Total (i+ii+iii)</b>	<b>2,88,58,342</b>	<b>-</b>	<b>-</b>	<b>2,88,58,342</b>
<b>Change in Indebtedness during the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
* Addition	-	-	-	-
* Reduction	1,15,25,182	-	-	1,15,25,182
<b>Net Change</b>	<b>1,15,25,182</b>	<b>-</b>	<b>-</b>	<b>1,15,25,182</b>
<b>Indebtedness at the end of the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
i) Principal Amount	1,73,29,593	-	-	1,73,29,593
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3567	-	-	3567
<b>Total (i+ii+iii)</b>	<b>1,73,33,160</b>	<b>-</b>	<b>-</b>	<b>1,73,33,160</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars	Name of MD/WTD/ Manager		Total Amount
		J C Bhatia (MD)	C J Bhatia (Ex. Director)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,00,000	15,16,267	27,16,267
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,09,781	2,60,002	5,69,783
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit			
	- others, specify...			
5	Others, please specify	-	-	-
	Total (A)	15,09,781	17,76,269	32,86,050
	Ceiling as per the Act	10% of the Net Profit		

**B. Remuneration to other directors**

Sr. No.	Particulars of Remuneration	Name of Directors					In Rs. Total Amount
		B V Dholakia	D D Kanitkar	Gayatri Parikh	L M Bijlani	C G Cholera	
1	Independent Directors						
	Fee for attending board/ committee meetings	20,000	15,000	15,000	-	-	50,000
	Commission	56,071	56,072	56,072	-	-	1,68,215
	Others, please specify	-	-	-	-	-	
	Total (1)	76,071	71,072	71,072	-	-	2,18,215
2	Other Non-Executive Directors						
	Fee for attending board/ committee meetings	-	-	-	15,000	20,000	35,000
	Commission	-	-	-	56,071	56,071	1,12,142
	Others, please specify	-	-	-	-	-	
	Total (2)	-	-	-	71,071	76,071	1,47,142
	Total (B)=(1+2)	76,071	71,072	71,072	71,071	76,071	3,65,357
	Total Managerial Remuneration						3,65,357
	Overall Ceiling as per the Act	1% of the Net Profit					

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,85,720	9,92,244	12,77,964
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15,000	57,000	72,000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify			
	Total	3,00,720	10,49,244	13,49,964

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :**

There were no instances of any penalties/punishments/compounding of offences for the year ended 31st March, 2016.

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## CEO/CFO CERTIFICATION

To,  
The Board of Directors  
Rapicut Carbides Limited.

1. We have reviewed the financial results of Rapicut Carbides Limited for the period ended 31st March, 2016, and to the best of our knowledge and belief:
  - These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the period ended 31st March, 2016, are fraudulent, illegal or violation of the Company's Code of Conduct.
3. 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. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify the deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
  - Significant changes in the Company's internal control over financial reporting during the period;
  - Significant changes, if any in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which we have become aware and involvement therein, if any, of the management or other employees having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai  
Date: 28th May, 2016

**Aswhin R. Master**  
Chief Financial Officer

**Jagdish C. Bhatia**  
Managing Director

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## DECLARATION

I hereby declare that all the Directors and Senior Management Personnel of the Company have affirmed the Compliance with the Code of Conduct for the year ended 31st March, 2016.

Place : Mumbai.  
Date : 28th May, 2016

**Jagdish C. Bhatia**  
Managing Director



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**ANNEXURE E**

**Form MR-3**

**Secretarial Audit Report**

for the Financial Year ended March 31, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9  
of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**RAPICUT CARBIDES LIMITED**  
119, GIDC Industrial Area,  
Ankleshwar – 393 002,  
Gujarat.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by RAPICUT CARBIDES LIMITED (hereinafter referred to as 'the company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2016 ("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:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2016, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/ 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulation, 1993 regarding the Companies Act and dealing with client.

We further report that, there were no actions / events in pursuance of the following regulations requiring compliance thereof by the company during the period of this report:-

- (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with BSE Limited and / or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"); however, it is not mandatory for the company to comply with the provisions of Corporate Governance as specified in Clause 49 of the Listing Agreement and Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of Listing Regulations, as it does not fall in the criteria for applicability of Corporate Governance though the company has voluntarily complied with these provisions as far as possible.

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the 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 clarification on the Agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

We further report that during the audit period there were no specific instances in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

S. Samdani  
Partner  
Samdani Shah & Asso.  
Company Secretaries  
FCS No. 3677,  
CP No. 2863

June 21, 2016,  
Vadodara.

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This Report is to be read with our letter of even date which is annexed as Appendix A and forms an integral part of this report.

### Appendix A

To,  
The Members,  
**RAPICUT CARBIDES LIMITED**  
119, GIDC Industrial Area,  
Ankleshwar – 393 002,  
Gujarat.

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

1. Maintenance of Secretarial records and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the company. Our examination was limited to the verification and audit of procedures and records on test basis. Our responsibility is to express an opinion on these secretarial records and compliances based on such verification and audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

S. Samdani  
Partner  
Samdani Shah & Asso.  
Company Secretaries  
FCS No. 3677,  
CP No. 2863

June 21, 2016,  
Vadodara.

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## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Rapicut Carbides Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Rapicut Carbides Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Management and Board of Directors of the company are responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 Companies (Accounts) Rules, 2014. This responsibility includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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 are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on 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 in accordance with the Standards on Auditing specified under Section 143 (10) of the Act and other applicable authoritative pronouncement issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) In the case of the Statement Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



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## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, We give in the Annexure-A statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
  - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - 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;
  - The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules 2014.
  - On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013.
  - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
  - In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 :
    - a) The Company has disclosed the impact of pending litigations as at 31st March, 2016 on its financial position in its financial statement.
    - b) The Company did not have any long-term contracts including derivate contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
    - c) There has been an occasion in case of the Company during the year under report to transfer sums to the Investor Education and Protection Fund. There was no delay in transferring such sums.

**For D. N. Shukla and Co.  
Chartered Accountants**

Place : MUMBAI  
Date : 28th May, 2016.

P J Mankad  
Partner  
Mem No. 036010  
FRN 110228W

## ANNEXURE-A

### TO THE INDEPENDENT AUDITOR'S REPORT

Annexure referred to in paragraph 1 Our Report of even date to the members of Rapicut Carbides Limited on the accounts of the company for the year ended 31st March, 2016.

- 1) On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:
  - The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
  - All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
  - All the title deeds of immovable properties are held in the name of the company.
- 2) The Inventory has been physically verified during the year by the management. The discrepancies noticed on verification between the physical stocks and the book records are not material.
- 3) The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- 4) In our opinion Company has complied with provisions of section 185 & 186 of the Companies Act, 2013 wherever applicable in respect of loans, investments, guarantees and securities.
- 5) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and the rules framed there under to the extent notified.
- 6) We have broadly reviewed the cost records maintained by the Company pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained, however we have not made detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 7) According to the information and explanations given to us, and based on records of the company examined by us, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, custom duty, excise duty, service tax, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities in India:
- 8) According to the information and explanations given to us, there are dues of Central Excise, Income Tax and Service Tax which have not been deposited as the same are disputed. The disputed statutory dues aggregating to Rs. 9.56/- lakhs, that have not been deposited on account of matters pending before appropriate authorities are as under:

Sr. No.	Name of the Statute	Name of the Dues	Forum where Dispute is pending	Amount (In Lacs)
1	Central Excise Act, 1944	Excise Duty	Commissioner (Appeal) CESTAT	0.10
2	Income Tax Act	Income Tax	CIT (Appeal) A.Y. 2012-13	4.53
3	Service Tax	Service Tax	Commissioner (Appeal)	4.93
			<b>TOTAL</b>	9.56

- 9) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders as at the balance sheet date.
- 10) In our opinion, the company has not raised any money by way of public offer including debt instrument. The term loans outstanding at the end of the year were applied for the purposes for which they were raised.
- 11) During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.
- 12) In our opinion managerial remuneration has been paid or provided in accordance with requisite approval wherever applicable, and mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.
- 13) The Company is not covered by Nidhi rules, 2014.
- 14) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 & 188 of the Companies act, 2013 wherever applicable and the details have been disclosed in the financial statement as required by the applicable accounting standards.
- 15) During the year company has not made any preferential allotment or private placement of share or convertible debentures, hence requirement of section 42 of the Companies Act, 2013 are not applicable.
- 16) During the year company has not entered into any non-cash transaction with directors or person connected with him, hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- 17) Company is not required to be registered under section 45IA of Reserve Bank of India Act, 1934.

**For D. N. Shukla and Co.  
Chartered Accountants**

P J Mankad  
Partner  
Mem No. 036010  
FRN 110228W

Place : Mumbai  
Date : 28th May, 2016.

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## **ANNEXURE – B**

### **INDEPENDENT AUDITOR'S REPORT**

Independent Auditors' report to the members of Rapicut Carbides Limited ("the company") on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of the Company as of 31 March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal 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 ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 the 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 an 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 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 controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect



the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 financial statements.

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

#### **OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, 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 or Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For D.N. SHUKLA & CO.**  
Chartered Accountants

P.J. Mankad  
Partner

Membership No.036010  
FR No.110228W

Place : Mumbai  
Date: 28th May, 2016.



## BALANCE SHEET AS AT 31ST MARCH, 2016

SR. NO.	PARTICULARS	NOTE NO.	31.03.2016 Rupees	31.03.2015 Rupees
<b>EQUITY AND LIABILITIES</b>				
1	<b>SHAREHOLDERS' FUNDS</b>			
	(a) Share Capital	1	5,37,12,450	5,37,12,450
	(b) Reserves & Surplus	2	14,06,38,769	13,38,83,854
	(c) Money received against Share Warrants		-	-
	<b>TOTAL</b>		<b>19,43,51,219</b>	<b>18,75,96,304</b>
2	<b>SHARE APPLICATION MONEY PENDING ALLOTMENT</b>		-	-
3	<b>NON-CURRENT LIABILITIES</b>			
	(a) Long Term Borrowings	3	1,08,479	4,20,082
	(b) Deferred Tax Liabilities (Net)		19,49,118	16,88,759
	(c) Other Long-Term Liabilities	4	6,45,000	6,20,000
	(d) Long-Term Provisions	5	22,12,718	21,18,792
	<b>TOTAL</b>		<b>49,15,315</b>	<b>48,47,633</b>
4	<b>CURRENT LIABILITIES</b>			
	(a) Short Term Borrowings	6	1,69,15,327	2,81,59,587
	(b) Trade Payables	7	1,90,12,191	4,96,88,311
	(c) Other Current Liabilities	8	99,24,739	93,14,098
	(d) Short Term Provisions	9	1,59,32,176	1,44,11,634
	<b>TOTAL</b>		<b>6,17,84,433</b>	<b>10,15,73,630</b>
	<b>TOTAL</b>		<b>26,10,50,967</b>	<b>29,40,17,567</b>
<b>ASSETS</b>				
1	<b>NON-CURRENT ASSETS</b>			
	(a) Fixed Assets			
	(i) Tangible Assets	10	4,61,71,508	4,82,47,744
	(ii) Intangible Assets	11	3,75,833	7,47,242
	(iii) Capital Work-In-Progress		2,22,076	-
	(iv) Intangible Assets Under Dev.		-	-
	(b) Non-Current Investments	12	2,02,750	4,02,750
	(c) Deferred Tax Assets (Net)		-	-
	(d) Long-Term Loans And Advances	13	36,33,173	35,24,688
	(e) Other Non-Current Assets		3,02,075	4,53,113
	<b>TOTAL</b>		<b>5,09,07,415</b>	<b>5,33,75,537</b>
2	<b>CURRENT ASSETS</b>			
	(a) Current Investments		-	-
	(b) Inventories	14	13,68,62,883	16,19,60,654
	(c) Trade Receivables	15	5,17,11,824	6,55,58,607
	(d) Cash And Cash Equivalents	16	1,36,26,922	48,19,901
	(e) Short-Term Loans And Advances	17	65,34,262	66,68,134
	(f) Other Current Assets	18	14,07,661	16,34,734
	<b>TOTAL</b>		<b>21,01,43,552</b>	<b>24,06,42,030</b>
	<b>TOTAL</b>		<b>26,10,50,967</b>	<b>29,40,17,567</b>
	Accounting Policies	27		
	Others Note forming part of Accounts	28		

Auditor's Report Signed in terms of our separate report of even date  
**For D.N. SHUKLA & CO.**  
Chartered Accountants

**P. J. Mankad**  
Partner  
M. No. 036010

Place : Mumbai  
Date : 28th May, 2016.

**A. R. Master**  
Chief Financial Officer

**Kamlesh M. Shinde**  
Company Secretary

**For and on behalf of the Board**

**J. C. Bhatia** Managing Director  
**L. M. Bijlani** Non Executive Director  
**C. G. Cholera** Non Executive Director  
**C. J. Bhatia** Executive Director  
**B. V. Dholakia** Independent Director  
**D. D. Kanitkar** Independent Director  
**Gayatri Parikh** Independent Director



## PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

SR. NO.	PARTICULARS	NOTE NO.	31.03.2016 Rupees	31.03.2015 Rupees
1.	<b>Revenue From Operations</b>			
	Revenue from Operations	19	33,44,53,403	38,62,37,938
	Other Income	20	4,49,344	7,25,807
	<b>Total Revenue</b>		<u>33,49,02,747</u>	<u>38,69,63,745</u>
2.	<b>Expenses :</b>			
	- Cost of Material Consumed	21	17,77,00,048	26,48,25,304
	- Purchase of Stock-In-Trade	-	-	-
	- Changes In Inventories of Finished Goods and work in progress	22	2,59,95,667	(1,24,11,665)
	- Employee Benefits Expenses	23	4,41,42,319	3,87,78,061
	- Finance Costs	24	44,26,307	53,85,719
	- Depreciation And Amortization Expense	25	56,23,111	64,79,793
	- Other Expenses	26	5,32,76,596	5,04,23,182
	<b>Total Expenses</b>		<u>31,11,64,048</u>	<u>35,34,80,394</u>
	<b>Profit Before Exceptional And Extraordinary Items And Tax</b>		2,37,38,699	3,34,83,351
	Exceptional Items - Prior Period		72,953	3,44,791
	<b>Profit Before Extraordinary Items And Tax</b>		2,36,65,746	3,31,38,560
	Extraordinary Items		-	-
	<b>Profit Before Tax Expenses</b>		2,36,65,746	3,31,38,560
	- Current Tax		89,00,000	1,11,00,000
	- Earliar Years Tax		7,197	25,781
	- Deferred Tax		(2,60,359)	97,982
	<b>Profit For The Period From Continuing Operations</b>		1,45,12,584	2,21,62,323
	Profit From Discontinuing Operations		-	-
	Tax Expense Of Discontinuing Operations		-	-
	Profit From Discontinuing Operations (After Tax)		-	-
	<b>Profit For The Period</b>		<u>1,45,12,584</u>	<u>2,21,62,323</u>
	Earning Per Equity Share			
	- Basic		2.70	4.12
	- Diluted		2.70	4.12
	Accounting Policies	27		
	Other Notes forming part of Accounts	28		

Auditor's Report Signed in terms of our separate report of even date  
**For D.N. SHUKLA & CO.**  
Chartered Accountants

**P. J. Mankad**  
Partner  
M. No. 036010

Place : Mumbai  
Date : 28th May, 2016.

**A. R. Master**  
Chief Financial Officer

**Kamlesh M. Shinde**  
Company Secretary

**For and on behalf of the Board**

<b>J. C. Bhatia</b>	Managing Director
<b>L. M. Bijlani</b>	Non Executive Director
<b>C. G. Cholera</b>	Non Executive Director
<b>C. J. Bhatia</b>	Executive Director
<b>B. V. Dholakia</b>	Independent Director
<b>D. D. Kanitkar</b>	Independent Director
<b>Gayatri Parikh</b>	Independent Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(Rs. in Lakhs)

	Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>I</b>	<b>CASH INFLOWS</b>		
<b>(01)</b>	<b>From Operating activities</b>		
	(a) Profit from operating activities Adjustments :	237.39	334.83
	Depreciation and amortization	56.23	64.80
	(Gain)/Loss on sale of Fixed assets	0.09	(0.31)
	Assets written off	0.27	0.55
	Other Income	(4.49)	(6.95)
	(b) Working capital changes :		
	Decrease in inventories	250.98	-
	Decrease in trade receivables	138.47	-
	Decrease in short-term loans and advances	1.34	25.18
	Decrease in other current assets	2.27	-
	Increase in trade payables	-	242.56
	Increase in other current liabilities	6.11	-
	Increase in short term provisions	15.20	6.59
	Total of (1)	<b>703.86</b>	<b>667.25</b>
<b>(02)</b>	<b>From Investing activities</b>		
	(a) Proceeds from sale of fixed assets	-	0.51
	(b) Proceeds from sale of investments	1.90	-
	(c) Decrease in other long-term loans and advances	-	9.95
	(d) Decrease in other non current assets	-	1.51
	(e) Dividend received	0.21	0.24
	(f) Interest received	4.28	6.71
	Total of (2)	<b>6.40</b>	<b>18.92</b>
<b>(03)</b>	<b>From Financing activities</b>		
	(a) Proceeds from long-term Liabilities	0.25	-
	(b) Proceeds from long-term provisions	0.94	-
	(c) Proceeds from other non current assets	1.51	-
	(b) Proceeds from short-term borrowings	-	153.30
	Total of (3)	<b>2.70</b>	<b>153.30</b>
	<b>Total cash inflows (1+2+3)</b>	<b>712.95</b>	<b>839.47</b>



(Rs. in Lakhs)

<b>II</b>	<b>CASH OUTFLOWS</b>		
<b>(01)</b>	<b>From Operating activities</b>		
	(a) Loss from operating activities Adjustments :		
	Depreciation and amortization	-	-
	Provision / (Reversal) Long Term	-	(4.54)
	(b) Working capital changes :		
	Increase in inventories	-	250.52
	Increase in trade receivables	-	214.00
	Increase in other current assets	-	8.91
	Decrease in trade payables	306.76	
	Decrease in other current liabilities	-	23.84
	Decrease in provisions		
	Total of (1)	<b>306.76</b>	<b>492.73</b>
<b>(02)</b>	<b>From Investing activities</b>		
	(a) Purchase of tangible assets/Capital work in progress	32.03	61.18
	(b) Purchase of intangible assets/assets under development	2.22	3.15
	(c) Increase in Long Term Loan and Advances	1.08	-
	Total of (2)	<b>35.33</b>	<b>64.33</b>
<b>(03)</b>	<b>From Financing activities</b>		
	(a) Repayment of long-term borrowings	3.11	79.56
	(b) Repayment of short-term borrowings	112.44	-
	(c) Dividend paid (including distribution tax)	77.58	77.58
	(d) Direct Tax Paid	88.93	110.74
	(e) Prior period expenses	0.73	3.45
	Total of (3)	<b>282.79</b>	<b>271.33</b>
	<b>Total cash outflows (1+2+3)</b>	<b>624.88</b>	<b>828.39</b>
<b>III</b>	<b>Net (decrease)/increase in cash and cash equivalents(I-II)</b>	<b>88.07</b>	<b>11.08</b>
	<b>Add: Cash and cash equivalents at the beginning of the period</b>	<b>48.20</b>	<b>37.12</b>
<b>IV</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>136.27</b>	<b>48.20</b>

As per our Audit Report of even date.  
**For D.N. SHUKLA & CO.**  
Chartered Accountants

**P. J. Mankad**  
Partner  
M. No. 036010

Place : Mumbai  
Date : 28th May, 2016.

**A. R. Master**  
Chief Financial Officer

**Kamlesh M. Shinde**  
Company Secretary

**For and on behalf of the Board**

<b>J. C. Bhatia</b>	Managing Director
<b>L. M. Bijlani</b>	Non Executive Director
<b>C. G. Cholera</b>	Non Executive Director
<b>C. J. Bhatia</b>	Executive Director
<b>B. V. Dholakia</b>	Independent Director
<b>D. D. Kanitkar</b>	Independent Director
<b>Gayatri Parikh</b>	Independent Director



**NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2016**

SR. NO.	PARTICULARS	NOTE No.	31.03.2016 Rupees	31.03.2015 Rupees
<b>1</b>	<b>Share Capital :</b>	<b>1</b>		
	(a) <b>Authorised :</b> 80,00,000 (Last Year 80,00,000) Equity Shares of Rs.10/- Each		<u>8,00,00,000</u>	<u>8,00,00,000</u>
	(b) <b>Issued, Subscribed &amp; Paid Up</b> Shares at the End of the accounting period 53,71,245 (L. Y. 53,71,245) Equity Shares of Rs.10/- Each (Include 35,17,747/- Equity Shares issued as Bonus Shares & 60,384 Equity Shares allotted as fully paid shares to shares holders of erstwhile Gujarat Drilwell Pvt. Ltd for consideration other than cash)		<u>5,37,12,450</u>	<u>5,37,12,450</u>
	TOTAL		<u>5,37,12,450</u>	<u>5,37,12,450</u>
	(c) <b>Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.</b> At the beginning of the period Outstanding at the end of the period		<u>53,71,245</u> <u>53,71,245</u>	<u>53,71,245</u> <u>53,71,245</u>
	(d) <b>Terms/rights attached to equity shares</b> The Company has only one class of equity shares having a face value of Rs.10 per share. The Company has recommended dividend for the year ended 31 March, 2016		1.20	1.20
	(e) <b>Details of shareholders holding more than 5% shares in the company - Equity Share of Rs.10/- each fully paid up.</b>			
			<u>No. of Shares held</u>	<u>%</u>
			<u>No. of Shares held</u>	<u>%</u>
	Pragya Equities Pvt. Ltd.		6,25,746	11.65
	Dayawanti J Bhatia		3,00,585	5.60
	Bharti Chetan Cholera		2,85,537	5.32
	(f) <b>Aggregate number of shares issued as bonus for consideration other than cash during the period of five years immediately preceding the reporting date</b>		<u>32,22,747</u>	<u>32,22,747</u>
	(g) <b>The company has not issued any right shares nor there has been buy back of shares during the period of five years immediately preceding the reporting date</b>		-	-
<b>2</b>	<b>Reserves &amp; Surplus :</b>	<b>2</b>		
1	General Reserve At the beginning of the accounting period Additions during the year At the end of the accounting period		<u>3,90,00,000</u> <u>20,00,000</u> <u>4,10,00,000</u>	<u>3,50,00,000</u> <u>40,00,000</u> <u>3,90,00,000</u>
2	Securities Premium Account At the beginning of the accounting period Additions / (deduction) during the year At the end of the accounting period		<u>1,27,15,948</u> <u>-</u> <u>1,27,15,948</u>	<u>1,27,15,948</u> <u>-</u> <u>1,27,15,948</u>

SR. NO.	PARTICULARS	NOTE No.	31.03.2016 Rupees	31.03.2015 Rupees
3.	Surplus			
	At the beginning of the accounting period		7,74,19,991	6,70,15,337
	Additions during the year		1,45,12,584	2,21,62,323
	(Balance In Statement Of Profit & Loss A/C)			
	Allocations & Appropriations :			
	Dividend		64,45,494	64,45,494
	Tax on Dividend		13,12,174	13,12,174
	Transfer to / from Reserves		20,00,000	40,00,000
	At the end of the accounting period		<u>8,21,74,907</u>	<u>7,74,19,992</u>
4.	Capital Reserve		29,06,317	29,06,317
5.	Central / State Govt. Subsidy		18,41,597	18,41,597
	TOTAL		<u>14,06,38,769</u>	<u>13,38,83,854</u>
	<b>Long Term Borrowings</b>	<b>3</b>		
	<b>1. Unsecured Long Term Borrowings :</b>			
	Loans from State Bank of India - Car Loan		1,08,479	4,20,082
	TOTAL		<u>1,08,479</u>	<u>4,20,082</u>
	<b>2. Other Long-Term Liabilities :</b>	<b>4</b>		
	Security Deposits from Distributors		6,45,000	6,20,000
	TOTAL		<u>6,45,000</u>	<u>6,20,000</u>
	<b>3. Long-Term Provisions :</b>	<b>5</b>		
	Provision for Leave Encashment		22,12,718	21,18,792
	TOTAL		<u>22,12,718</u>	<u>21,18,792</u>
	<b>Current Liabilities :</b>	<b>6</b>		
	<b>Short-Term Borrowings :</b>			
	<b>1. Secured Loans from Banks</b>			
	From State Bank of India - Cash Credit		1,69,15,327	2,81,59,587
	(Secured against hypothecation of Stock & Book-debts)			
	TOTAL		<u>1,69,15,327</u>	<u>2,81,59,587</u>
	<b>Short-Term Borrowings : Notes</b>			
	1. Cash Credit facilities availed from State Bank of India		1,69,15,327	2,81,59,587
	Is Secured against hypothecation of Inventories & book-debts			
	Company's immovable properties form part of the Collateral			
	security and The Directors have given their Personal			
	Guarantee for the same. Loan is repayable on demand.			
	<b>Long-Term Borrowings : Notes</b>			
	2. Term loan facilities availed from State Bank of India is		4,17,833	6,98,755
	secured against hypothecation of vehicle.			
	<b>Trade Payables</b>	<b>7</b>		
	Sundry Creditors		1,82,45,053	4,61,13,101
	Advance from parties-Interest free		7,67,138	35,75,210
	TOTAL		<u>1,90,12,191</u>	<u>4,96,88,311</u>
	<b>Other Current Liabilities</b>	<b>8</b>		
	1 Current maturities of long term debts (Long Term Borrowing Note-2)		3,09,354	2,78,673
	2 Unpaid Dividends		33,02,531	30,83,910
	3 Duties & Taxes		38,52,872	36,49,384
	4 Current Year Tax Payable (Net of Advance Tax)		24,59,982	23,02,131
	TOTAL		<u>99,24,739</u>	<u>93,14,098</u>
	<b>Short-Term Provisions</b>	<b>9</b>		
	1 Provision for Expenses		81,74,508	66,53,966
	2 Provision for Dividend		64,45,494	64,45,494
	3 Provision for Tax on Dividend		13,12,174	13,12,174
	TOTAL		<u>1,59,32,176</u>	<u>1,44,11,634</u>

**FIXED ASSETS**  
**NOTE NO.10 i) TANGIBLE ASSETS**

Items	GROSS BOLCK				DEPRECIATION				NET BLOCK	
	Opening Balance 01-04-15 Rupees	Addi-tions Rupees	Sales/ Disposal/ Transfer Rupees	Closing Balance 31-03-16 Rupees	Opening Balance 01-04-15 Rupees	Depri during the year Rupees	Deduc-tion Rupees	Depri up to 31.03.16 Rupees	Closing Balance 31-03-16 Rupees	Opening Balance 01-04-15 Rupees
Leasehold Land	352174	-	-	352174	133050	3557	-	136607	215567	219124
Buildings	22161383	39000	-	22200383	9921991	525104	-	10447095	11753288	12239392
Plant & Machinery and Electrical Fittings	80355812	2843293	2320551	80878554	48773061	4010422	2293006	50490477	30388074	31582748
Data Process Equipment	2173503	127755	-	2301258	1170196	249373	-	1419569	881689	1003307
Furniture Fixture & Office Equipment	2054768	192961	-	2247729	1036480	210206	-	1246686	1001043	1018286
Vehicles	3644950	-	-	3644950	1460063	253040	-	1713103	1931847	2184887
<b>TANGIBLE ASSETS</b>	<b>110742590</b>	<b>3203009</b>	<b>2320551</b>	<b>111625048</b>	<b>62494841</b>	<b>5251702</b>	<b>2293006</b>	<b>65453537</b>	<b>46171508</b>	<b>48247744</b>

**NOTE NO. 11 i) INTANGIBLE ASSETS**

Technical Know-how	2732635	-	-	2732635	1985393	371409	-	2356802	375833	747242
<b>TOTAL</b>	<b>2732635</b>	<b>-</b>	<b>-</b>	<b>2732635</b>	<b>1985393</b>	<b>371409</b>	<b>-</b>	<b>2356802</b>	<b>375833</b>	<b>747242</b>

<b>TOTAL ASSETS</b>	<b>113475225</b>	<b>3203009</b>	<b>2320551</b>	<b>114357683</b>	<b>64480234</b>	<b>5623111</b>	<b>2293006</b>	<b>67810339</b>	<b>46547341</b>	<b>48994986</b>
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**ii) CAPITAL WORK-IN-PROGRESS**

Machinery under Installation	-	222076	-	222076	-	-	-	-	222076	-
<b>TOTAL</b>	<b>-</b>	<b>222076</b>	<b>-</b>	<b>222076</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>222076</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>113475225</b>	<b>3425085</b>	<b>2320551</b>	<b>114579759</b>	<b>64480234</b>	<b>5623111</b>	<b>2293006</b>	<b>67810339</b>	<b>46769417</b>	<b>48994986</b>
<b>PREVIOUS YEAR</b>	<b>113323464</b>	<b>6522615</b>	<b>6370856</b>	<b>113475225</b>	<b>64205354</b>	<b>6479793</b>	<b>6204911</b>	<b>64480234</b>	<b>48994986</b>	<b>49118107</b>

SR. NO.	PARTICULARS	NOTE No.	31.03.2016 Rupees	31.03.2015 Rupees
	<b>Non Current Assets</b>	<b>12</b>		
	<b>Non Current Investment :</b>			
	(A) Unquoted - Trade - Long Term			
	1) In Government Securities- National Saving Certificates		<b>12,000</b>	12,000
	2) Others - 1581 Equity Shares of Bharuch Enviro Infrastructure Ltd.		<b>15,750</b>	15,750
	(B) Quoted - Trade - Long Term			
	1) 17500 Equity Shares of Rapicut Carbides Ltd. (including 10500 Nos Bonus shares) The said shares have devolved on the company in lieu of 17500 equity shares of Gujarat Drillwell Pvt.Ltd. pursuant to Gujarat High Court order and are held in Trust on behalf of the Company.(Market value Rs. 7,17,500/-)		<b>1,75,000</b>	1,75,000
	2) 20000 Nos of SBI Infrastructure Fund		-	2,00,000
	<b>TOTAL</b>		<b>2,02,750</b>	<b>4,02,750</b>

SR. NO.	PARTICULARS	NOTE No.	31.03.2016 Rupees	31.03.2015 Rupees
	<b>Long Term Loans And Advances :</b>	<b>13</b>		
	Security Deposits (Unsecured considered good unless otherwise stated)		36,33,173	35,24,688
	TOTAL		<u>36,33,173</u>	<u>35,24,688</u>
	<b>Current Assets</b>			
	<b>Inventories :</b>	<b>14</b>		
	(As taken, valued & certified by the Management)			
	1. Raw Materials		1,40,28,900	1,97,57,029
	2. Work In Process		7,22,12,197	9,78,76,382
	3. Finished Goods		2,53,35,446	2,56,66,928
	4. Stores, Spares & Loose Tools		2,33,77,127	1,86,60,315
	5. Goods in-transit		19,09,213	
	TOTAL		<u>13,68,62,883</u>	<u>16,19,60,654</u>
	<b>Trade Receivables :</b>	<b>15</b>		
	(Unsecured considered good unless otherwise stated)			
	(1) Debts outstanding for a period exceeding six months from the dates they are due		46,67,902	
16,26,086	(2) Other Debts		<u>4,70,43,922</u>	<u>6,39,32,521</u>
	TOTAL		<u>5,17,11,824</u>	<u>6,55,58,607</u>
	<b>Cash &amp; Cash Equivalents :</b>	<b>16</b>		
	<b>(A) Balance With Banks</b>			
	In Fixed Deposits			
	- Earmarked Balances with Banks held as Margin Money against borrowings and other commitments. (Maturity with less than 12 months)		47,95,373	44,39,036
	In Current Accounts		87,79,569	2,88,664
	<b>(B) Cash on hand</b>		<u>51,980</u>	<u>92,201</u>
	TOTAL		<u>1,36,26,922</u>	<u>48,19,901</u>
	<b>Short Term Loans &amp; Advances :</b>	<b>17</b>		
	(Unsecured considered goods unless otherwise stated)			
	Advances Recoverable in cash or kind for the value to be received			
	(1) Advance to Parties		46,94,150	27,52,916
	(2) Receivable / Recoverable from Revenue Authorities		<u>18,40,112</u>	<u>39,15,218</u>
	TOTAL		<u>65,34,262</u>	<u>66,68,134</u>
	<b>Other Current Assets :</b>	<b>18</b>		
	(1) Prepaid Expenses		7,55,465	8,92,417
	(2) Tender Deposits		44,000	1,49,000
	(3) Interest Accrued But Not Received		2,99,777	3,11,612
	(4) Insurance Claim		<u>3,08,419</u>	<u>2,81,705</u>
	TOTAL		<u>14,07,661</u>	<u>16,34,734</u>





SR. NO.	PARTICULARS	NOTE No.	31.03.2016 Rupees	31.03.2015 Rupees
	<b>Revenue From Operations</b>	<b>19</b>		
	Sale of Products (Net of Returns, Discount Etc.)		37,57,55,046	43,48,21,437
	Other Operating Revenues		-	-
			<u>37,57,55,046</u>	<u>43,48,21,437</u>
	Less : Excise Duty		4,13,01,643	4,85,83,499
	Net Revenue From Operations		<u>33,44,53,403</u>	<u>38,62,37,938</u>
	<b>Other Income :</b>	<b>20</b>		
	Interest Income (Tds Rs. 79,206/-)		3,85,914	6,71,376
	Misc Income		42,430	-
	Dividend Income		21,000	23,767
	Profit on sale of Assets		-	30,664
	TOTAL		<u>4,49,344</u>	<u>7,25,807</u>
	<b>Cost Of Materials Consumed :</b>	<b>21</b>		
	Purchases Raw-Materials		17,19,71,919	27,65,19,882
	Add: Opening Balance of Stock		1,97,57,029	80,62,451
			<u>19,17,28,948</u>	<u>28,45,82,333</u>
	Less: Closing Balance of Stock		1,40,28,900	1,97,57,029
	Consumption of Materials	TOTAL	<u>17,77,00,048</u>	<u>26,48,25,304</u>
	<b>Changes In Inventories</b>	<b>22</b>		
	<b>Finished Goods</b>			
	At the beginning of the Accounting Period		2,56,66,928	1,81,63,110
	At the end of the Accounting Period		2,53,35,446	2,56,66,928
			<u>3,31,482</u>	<u>(75,03,818)</u>
	<b>Work-In-Process</b>			
	At the beginning of the Accounting Period		9,78,76,382	9,29,68,535
	At the end of the Accounting Period		7,22,12,197	9,78,76,382
			<u>2,56,64,185</u>	<u>(49,07,847)</u>
	TOTAL		<u>2,59,95,667</u>	<u>(1,24,11,665)</u>
	<b>Employee Benefits Expense :</b>	<b>23</b>		
	<b>Salary And Wages</b>			
	Factory Wages		1,72,74,963	1,51,05,597
	Office Staff Salary		1,18,31,199	98,63,870
	Marketing Staff Salary & Incentives		20,44,136	17,27,036
	Directors Remuneration		37,26,399	37,98,437
	<b>Contribution to Provident &amp; Other Funds</b>			
	Contribution to Provident Fund		24,88,730	20,84,112
	Contribution to Employees State Insurance Fund		1,55,519	1,29,549
	Contribution to Other Funds		1,014	1,002
	Contribution to Gratuity Fund		12,48,780	11,81,615
	Contribution to Super Annuation Fund		10,13,886	10,05,030
	<b>Other Expenses</b>			
	Workers & Staff Welfare		18,54,500	17,62,186
	Bonus & Exgratia		15,62,618	7,46,405
	Leave With Wages		1,93,842	5,98,660
	Perquisites to Employees		7,46,733	7,74,562
	TOTAL		<u>4,41,42,319</u>	<u>3,87,78,061</u>

SR. NO.	PARTICULARS	NOTE NO.	31.03.2016 Rupees	31.03.2015 Rupees
	<b>Financial Costs :</b>	<b>24</b>		
	Interest Expense			
	Interest to Bank		38,77,871	37,33,070
	Interest to Depositors		-	10,86,008
	Interest to Bank On Vehicle Loan		56,734	87,346
	Interest on TDS & Other Taxes		21,855	721
	Bank Charges		4,69,847	4,78,574
	TOTAL		<u>44,26,307</u>	<u>53,85,719</u>
	<b>Depreciation and Amortization Expense :</b>	<b>25</b>		
	Depreciation		56,23,111	64,79,793
	TOTAL		<u>56,23,111</u>	<u>64,79,793</u>
	<b>Other Expenses :</b>	<b>26</b>		
	<b>(A) Manufacturing Expense :</b>			
	Consumption of Stores and Spare Parts			
	Opening Stock		1,86,60,315	1,77,13,502
	Add : Purchases		1,53,07,984	1,26,89,790
			<u>3,39,68,299</u>	<u>3,04,03,292</u>
	Less : Closing Stock		2,33,77,127	1,86,60,315
			<u>1,05,91,172</u>	<u>1,17,42,977</u>
	Freight Inward		1,80,368	1,12,903
	Power & Fuel		1,50,31,505	1,42,64,343
	Grinding Charges		-	13,050
	Water Charges		2,53,371	1,90,714
	Repair to Machinery		34,38,814	10,77,628
	TOTAL		<u>2,94,95,230</u>	<u>2,74,01,615</u>
	<b>(B) Administrative Expense :</b>			
	Car Hire Expenses		3,24,000	2,74,500
	Festival Celebration Expenses		3,70,783	1,13,209
	Donation		700	6,300
	CSR Expenditure		8,19,500	8,97,288
	Subscription / Membership Fees		2,50,000	1,86,720
	Electricity Expenses		20,731	20,655
	Rates & Taxes		3,42,359	4,56,367
	General Expenses		2,41,991	1,54,413
	Garden Expenses		1,10,804	2,55,332
	Rent		7,97,838	7,29,732
	Insurance		3,72,531	3,74,072
	Legal Expenses		42,130	33,833
	Service Tax		1,92,926	43,667
	News Paper & Periodicals		47,188	64,741
	Payment to The Auditors		97,711	97,242
	Postage Telephone & Courier Expenses		5,85,154	6,63,863
	Professional Charges		60,97,733	52,13,945
	Printing & Stationery		6,67,530	6,07,403
	Repair to Buildings		12,16,107	5,68,130
	Repair & Maintenance (General)		21,53,282	10,08,729
	Loss on sale of Assets		9,750	-



- b) Raw Materials and Consumables  
Valued at landed cost or realizable value whichever is less.
- c) Work-in-Progress  
Value at cost incurred till the stage of completion as determined by the Management. In respect of sintered T.C.(scrape) the stock is valued at cost incurred till the previous stage at which this material is generated, In case the material is sold .the valuation is restricted to the value realized at a subsequent date. Valuation is base on actual cost of production or realized value at stage whichever is lower.
- d) Due allowance is estimated and made for defective and obsolete stock based on past experience of the Company.

#### 5. RETIREMENT BENEFITSS

- a) Retirement benefits to employees comprise payment under defined contribution plan Superannuation, Gratuity through Group Schemes of Life Insurance Corporation of India. The premium/contribution paid/payable to LIC of India is charged to Profit and Loss Statement. As per Revised Accounting Standard Actuarial Valuation was carried out by LIC of India. Company has not provided for said amount to Rs.36,21,885/-(P.Y. Rs.44,66,155/-) during the year being contingent in nature.
- b) Leave encashment is provided for at current encashable salary rate for the entire encashable unavailed leave balance on Actuarial valuation bases.

#### 6. EXCISE AND CUSTOM DUTY

The excise duty paid/payable on finished goods has been included in closing inventory till sales. Provisions has been made for payments of excise duty relating to finished goods lying in bond. However the said practice has no impact on profit / (loss) for the year.

#### 7. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency, other than those covered by forward contracts, are recorded at the exchange rates Prevailing on the date of each transaction. Imports/Exports are recognized in books on the basis of payments/receipts, if transaction is squared off in the same accounting year. Liabilities relating to foreign currency transactions remaining unsettled till the date of finalisation are transacted at the year end rates.

#### 8. SALES

- a) Sales are recognised at the time of despatch to customers. Material despatched to branches and remaining unsold during the year is treated as stock at branches valued at cost inclusive of duties paid or market value whichever is lower.
- b) Sales are inclusive of excise duty thereon but net of sales tax/VAT and discount.
- c) Sales returns are recognised as soon as the rejection is approved by Technical Services Department of the Company.

#### 9. IMPAIRMENT OF ASSETS

The carrying amount of an assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. Impairment loss will be recognised whenever the carrying amount of an assets exceeds recoverable amount. The Company applies the test of impairment of major assets and recognized loss on such impairment in Profit and Loss Statement.

#### 10. PROVISION AND CONTINGENCIES

The Company create a provision when there is present obligation as result of past events that probably required and out flow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is possible obligation or a present obligation that probably will not be required an out flow of resources or where a reliable estimate of the obligation can not be made.

## 11. TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax act, 1961. Deferred tax balance is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets on unabsorbed tax losses and tax depreciation are recognised only when there is a certainty of their realisation. The tax effect is calculated at the end of the year, based on the tax rate and laws enacted on balance sheet date.

## 12. DEFERRED REVENUE EXPENDITURE

During the year, Company has incurred an expenditure on issue of Bonus Share of Rs.7,50,311/-, as per management's opinion, same is of long term nature, hence same is to be written off over a period of 5 years. Accordingly an amount of Rs.1,51,038/- is debited to Profit and Loss account under Exceptional and Extra Ordinary items.

### Note No. 28

#### NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 2015-16

1. In the opinion of the Board of Directors the Current Assets, Loans and Advances and Current Liabilities as reflected in the Balance Sheet represent the value they would realise or become payable as the case may be in the ordinary course of business.
2. We have relied on the management representation in respect of determining reuse / sale of T.C. scrap, worn out Cylpebs and acceptance of rejection claims.
3. Exchange difference amounting to Rs.10,97,168/- (P.Y. Rs.13,49,088/-) has been adjusted in the cost of corresponding raw materials/consumables, Rs.3,255 (P.Y. Rs.NIL/-) has been adjusted in export sales .
4. The identification of suppliers as small scale industrial undertaking has been done on the bases of information to the extent provided by the suppliers to the company. On these bases amount over due to such unit is exceeding Rs .ONE LAKH is "NIL" and outstanding balance from such parties is Rs.Nil at the year end.(P.Y. Rs.NIL).
5. Provision for taxation has been made during the year as per completed Income Tax Assessment of the Company.
6. Segment Reporting .The Company has only one business segment "Tungsten and Tungsten Carbides Products" as primary segment. The secondary segment is geographical which is given as under:

a)	<b>Sales &amp; Services</b>	<b>2015-16</b>	<b>2014-15</b>
	Within India	<b>37,22,16,265</b>	42,78,93,021
	Outside India	<b>35,38,781</b>	69,28,416
	<b>TOTAL</b>	<b>37,57,55,046</b>	43,48,21,437

b)	<b>Other Income</b>	<b>2015-16</b>	<b>2014-15</b>
	Within India	<b>4,49,344</b>	7,25,807
	Outside India	<b>NIL</b>	NIL
	<b>Total</b>	<b>4,49,344</b>	7,25,807



7. Related Party Disclosure.

		2015-16 Rupees	2014-15 Rupees
(i)	Key Management Person :- Shri. J C Bhatia, Managing Director Shri. C J Bhatia, Executive Director Shri. A R Master, Chief Financial Officer Shri. K M Shinde, Company Secretary		
(ii)	Transaction with Key Management Person :-		
	Key Management Person Remuneration :		
	a) Shri. J. C. Bhatia		
	i) Salary/Perquisites	12,80,511	14,84,346
	ii) Contribution to Funds	4,23,960	4,23,960
	iii) Rent Paid to Mrs. D. J. Bhatia (Wife of Managing Director) for accommodation	7,20,000	7,20,000
	Total	24,24,471	24,48,306
	(b) Shri. C.J. Bhatia		
	i) Salary /Perquisites	17,25,888	17,74,087
	ii) Contribution to Funds	3,82,641	3,74,830
	Total	2108,529	21,48,917
	(c) Rent to Mr. C J Bhatia for Bombay Sales Office	2,54,272	2,33,280
	(d) Rent to Mr. C J Bhatia for Transit House at Bharuch	1,05,000	-
	Total	3,59,272	2,33,280
	Shri. A R Master		
	i) Salary /Perquisites	10,50,754	9,81,935
	ii) Contribution to Funds	2,36,167	2,21,095
	Total	12,86,921	12,03,030
	Shri. K M Shinde		
	i) Salary /Perquisites	3,56,129	2,58,285
	ii) Contribution to Funds	19,656	18,144
	Total	3,75,785	2,76,429
(iii)	Non Executive Directors		
	a) Sitting Fees : L M Bijlani	15,000	20,000
	C G Cholera	20,000	20,000
	D D Kanitkar	15,000	20,000
	B V Dholakia	20,000	20,000
	Gayatri Parikh	15,000	-
	b) Commission : L M Bijlani	56,071	93,693
	(On accrual basis) C G Cholera	56,071	93,693
	D D Kanitkar	56,072	93,692
	B V Dholakia	56,071	93,693
	Gayatri Parikh	56,072	-

8. Deferred tax components are as under :

- i) Depreciation  
ii) Other  
**Total**

	2015-16 (Rupees)	2014-15 (Rupees)
i) Depreciation	22,18,749	19,58,390
ii) Other	(2,69,631)	(2,69,631)
<b>Total</b>	<b>19,49,118</b>	<b>16,88,759</b>

9. Contingent Liabilities:

- a) Company's Income Tax Assessments have been completed up to the Assessment year 2013-2014. In the opinion of the management, provision made in books is sufficient to cover liabilities in respect of pending assessments.
- b) Company's Sales Tax Assessments have been completed up to the Financial year 2011-12.
- c) Show Cause Notices/Demands for Excise/Customs duty/Income Tax claims raised by Department and contested by the Company are Rs.12.69 lacs (Rs.8.52 lacs). The Company has paid Rs. 3.13 lacs (P.Y. Rs. 2.85 lacs) under protest. Management has taken legal opinion that the provision made in the books is sufficient to cover the liabilities.
- d) Gratuity payable as per revised accounting standard & actuarial valuation submitted by LIC of India amounting to Rs. 36,21,885/- (P.Y. Rs. 44,66,155/-) was not provided for, as per management's explanation & opinion same is contingent in nature, as the valuation is based on assumption of Mortality rate, Withdrawal rate, Discounted rate, & Salary escalation of service etc. for the year.

The principal assumptions used by LIC in determining valuation.

- (1) Withdrawal Rate : 1% to 3% depending on age  
Discounting Rate : 8% p.a.  
Salary Escalation : 7% p.a.

(2) Accrued Gratuity	: 2015-16 (Rs.)	2014-15 (Rs.)
Fund value as on	: 1,35,48,514/-	1,33,44,259/-
Net Unfunded Gratuity Liability	: 99,26,629/-	88,78,104/-
	: <u>36,21,885/-</u>	<u>44,66,246/-</u>

(3) Defined Benefit obligation plan	:	
Opening Balance	:	88,78,103/-
Add : Converted from old Scheme	:	-
Add : Amount credited during the year	:	12,48,780/-
Less : Amount paid during the year	:	9,22,451/-
Add : Interest credited during the year	:	8,04,214/-
Less : Fund Management & Mortality charges	:	82,017/-
Closing Balance	:	<u>99,26,629/-</u>

- (4) Present value of defined obligation plan : 1,28,85,862/- 1,24,88,194/-

10. Figures of the previous year have been re-grouped/re-arranged wherever necessary to conform to this year's classification as per Revised schedule VI of the companies Act, 2013.

As per our Audit Report of even date.  
For **D.N. SHUKLA & CO.**  
Chartered Accountants

**P. J. Mankad**  
Partner  
M. No. 036010

Place : Mumbai  
Date : 28th May, 2016.

**A. R. Master**  
Chief Financial Officer

**Kamlesh M. Shinde**  
Company Secretary

For and on behalf of the Board

**J. C. Bhatia** Managing Director  
**L. M. Bijlani** Non Executive Director  
**C. G. Cholera** Non Executive Director  
**C. J. Bhatia** Executive Director  
**B. V. Dholakia** Independent Director  
**D. D. Kanitkar** Independent Director  
**Gayatri Parikh** Independent Director

**OTHER NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2016**

SR. NO.	PARTICULARS	31.03.2016 Rupees	31.03.2015 Rupees
1	<b>Contingent Liabilities And Commitments :</b> (To the extent not provided for)		
(i)	Contingent Liabilities		
(a)	Claim against the company not acknowledged as debts	9,56,090	5,67,334
(b)	Guarantees / Letters of Credit	55,08,669	2,90,00,869
(c)	Other Money for which the company's commitments / liability	NIL	NIL
(ii)	Commitments		
(a)	Estimated amount of contracts remaining to be executed on Capital account and not provided for	20,83,543	4,54,410
(b)	Uncalled Liability on Shares and other Investments partly paid	NIL	NIL
(c)	Other Commitments / Counter Gurantee	NIL	NIL
(d)	The amount of Dividends proposed to be distributed to Equity Shareholders for the period amount per Equity Shares	1.20	1.20
(e)	Issue of Securities for specific purpose	NIL	NIL
(f)	Detail of any assets other than Fixed Assets and Non Current Investments which do not have a value on Realisation in the Ordinary Course of Business at least Equal to the amount at which they are stated.	NIL	NIL
2	<b>Payment To The Auditors As :</b>		
	For Statutory Audit Fees	75,000	68,750
	For Taxation Matters	30,000	30,000
	For Management Services	20,000	20,000
	For Other Services	12,000	11,000
	For Reimbursement Of Expenses	22,711	28,492
	TOTAL	<u>1,59,711</u>	<u>1,58,242</u>
3	<b>Value of Imports calculated on C.I.F basis by the Company the Financial year in respect of :</b>		
	Raw Materials	12,41,12,049	13,89,82,826
	Componentrs And Spare Parts	22,01,474	8,39,367
	Capital Goods	-	-
	TOTAL	<u>12,63,13,523</u>	<u>13,98,22,193</u>
4	<b>Expenditure in Foreign Currency during the Financial year on account of :</b>		
	Books & Periodicals	NIL	NIL
	Membership Fees	NIL	NIL
	Foreign Travelling	NIL	NIL
	Fees and Taxes	NIL	NIL
	TOTAL	<u>NIL</u>	<u>NIL</u>
5	<b>The amount remitted during the year in Foreign currency :</b> on account of Dividends	NIL	NIL
6	<b>Earning In Foreign Exchange :</b>		
	Export of Goods on FOB Basis	32,80,534	61,66,286
	Interest and Dividends	NIL	NIL
	Other Income	NIL	NIL
	TOTAL	<u>32,80,534</u>	<u>61,66,286</u>



SR. NO.	PARTICULARS	31.03.2016 Rupees	31.03.2015 Rupees
7	<b>Break up of Consumption :</b>		
a)	Raw Materials		
	Total Consumption	<u>17,77,00,084</u>	<u>26,48,25,304</u>
	Indigenous	3,56,03,354	14,24,80,399
	%	20.04	53.80
	Imported	14,20,96,691	12,23,44,905
	%	79.96	46.20
b)	Spare Parts And Components		
	Total Consumption	<u>2,33,77,127</u>	<u>1,17,42,977</u>
	Indigenous	2,14,86,538	1,02,04,543
	%	91.91	86.90
	Imported	18,90,589	15,38,434
	%	8.09	13.10
8	Consumption Of Raw Materials		
	Blue Tungsten Oxide	11,30,00,128	11,43,69,062
	Oxide of Metal	2,80,25,235	11,31,99,930
	Cobalt	1,99,84,928	1,77,21,770
	Tungsten Carbide Powder	32,21,568	53,28,368
	Yellow Tungsten Oxide	48,88,320	46,23,289
	Tanbc	43,86,032	37,11,710
	Ammonium Para Tungstate	-	17,25,750
	Cemented Carbides	12,76,820	-
	Others	29,17,016	41,45,425
	TOTAL	<u>17,77,00,048</u>	<u>26,48,25,304</u>
9	Opening/Closing Stock of Raw Material		
	Blue Tungsten Oxide	65,64,600	1,23,76,325
	Oxide of Metal	-	9,90,235
	Cobalt	9,20,285	12,37,661
	Tungsten Carbide Powder	6,47,052	5,26,371
	Tanbc	39,47,332	31,87,211
	Others	19,49,631	14,39,226
	TOTAL	<u>1,40,28,900</u>	<u>1,97,57,029</u>
10	Turnover		
	Tungsten & Tungsten Carbide Products		
a)	Manufactured		
	i ) Sintered	30,65,92,043	35,13,29,880
	ii) Intermediary Products	6,63,23,388	8,21,26,094
b)	Purchased		
	i ) Resale Of Raw Material	28,39,615	13,65,463
	TOTAL	<u>37,57,55,046</u>	<u>43,48,21,437</u>
11	Opening/Closing Stock		
	Tungsten & Tungsten Carbide Products		
a)	Manufactured	2,53,35,446	2,56,66,928
b)	Purchased	-	-
	TOTAL	<u>2,53,35,446</u>	<u>2,56,66,928</u>



**RAPICUT CARBIDES LTD.**

**Registered Office :** Plot No.119, GIDC Industrial Area, Ankleshwar - 393 002 (Gujarat).  
**CIN :** L28910GJ1977PLC002998 Phone No: +91-2646-251118, Fax: +91-2646-251019  
Email: investors@rapicutcarbides.com, Website: www.rapicutcarbides.com

**FORM NO. 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]**

Name of the Member(s): .....

Registered address: .....

E-mail ID: .....

Folio No. / \*DP ID No.....and \*Client ID: .....

(\*applicable for investors holding shares in electronic form.)

I/We, being the Member(s) of ..... shares of the above named Company, hereby appoint

1. Name: ..... E-mail ID: .....

Address .....

Signature ....., or failing him/her

2. Name: ..... E-mail ID: .....

Address .....

Signature ....., or failing him/her

3. Name: ..... E-mail ID: .....

Address .....

Signature ....., or failing him/her

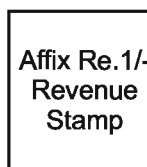
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 39th Annual General Meeting, to be held on Thursday, 29th September, 2016 at 12.00 Noon. at Hotel Sadanand, Rajpipla Road, Ankleshwar - 393 002, (Gujarat) and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:



\*I/We wish my above proxy(ies) to vote in the manner as indicated in the box below:

Resolution No.	Description	For	Against
1	To receive, consider and adopt the Audited Financial Statements as at 31st March, 2016, the Reports of the Board and Auditors thereon.		
2	To declare a dividend for the financial year ended 31st March, 2016.		
3	To appoint a Director in place of Shri. Lalit M Bijlani (DIN: 01382116 ), who retires by rotation and being eligible, offers himself for re-appointment.		
4	To appoint M/s Maloo Bhatt & Co., Chartered Accountants, Vadodara as Statutory Auditors of the Company		

Signed this ..... day of ..... 2016.



\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

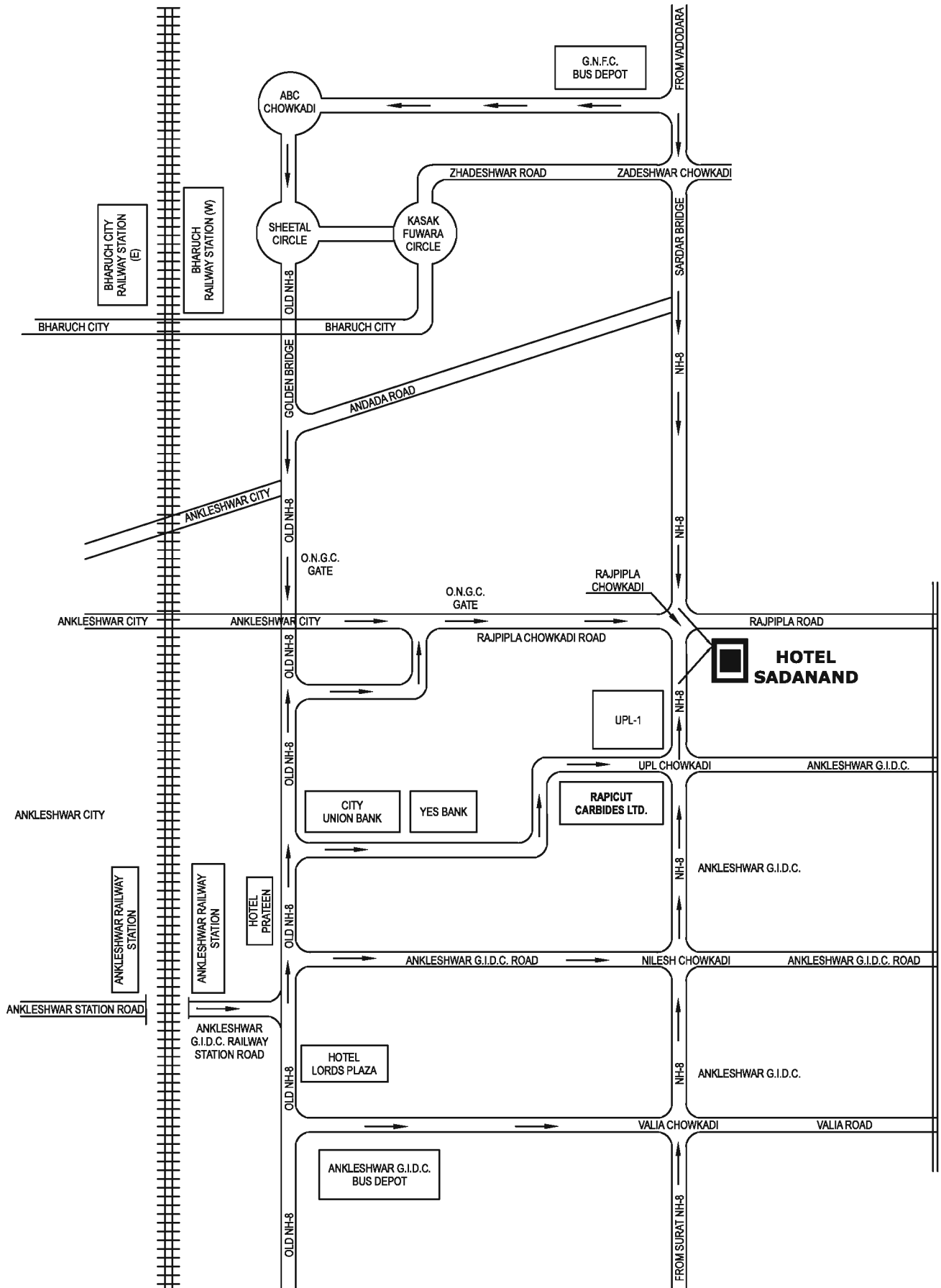
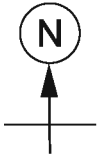
\_\_\_\_\_  
Signature of third proxy holder

- Please put a (✓) in the appropriate column against the resolutions indicated in the Box. Alternatively you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave all the columns blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

**Notes:**

1. 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.
2. A proxy need not be a Member of the Company.
3. In case the Member appointing proxy is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorised by it and an authenticated copy of such authorisation should be attached to the proxy form.
4. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
5. Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.
6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
7. Those members who have multiple folios with different joint holders may use copies of this Proxy form.

# ROUTE MAP TO THE VENUE OF THE AGM .



From :

If undelivered please return to :  
**RAPICUT CARBIDES LIMITED**  
Registered Office :  
Plot No. 119, GIDC,  
Ankleshwar - 393 002.

