

Rapicut Carbides Limited

Regd. Office & Works :

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



An ISO 9001 CERTIFIED COMPANY

CIN : L28910GJ1977PLC002998

PAN No. AAACR8753N

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

REF: RCL:KMS:BSE-ANNL-REPORT/2017:

Date: 04/10/2017

**Sub: 40th Annual Report for the year 2016-17.
Ref: Scrip Code: 500360**

Dear Sir/Madam,

Pursuant to Reg 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed 40th Annual Report of the Company, for the year 2016-17.

Kindly take the above document on your record and disseminate the same on the website of the Exchange.

Thanking you,

Yours faithfully,
For **RAPICUT CARBIDES LIMITED**


**Kamlesh Shinde
(Company Secretary & Compliance Officer)**



Rapicut Carbides Limited

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Rapicut

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

REF: RCL:KMS:BSE:DECL-AUD-REPT/17:

Date: 27th May, 2017

Sub: Declaration with respect to Audit Report with unmodified opinion to the
Audited Financial Results for the financial year ended 31st March, 2017.

Ref: Scrip Code: 500360

Dear Sir,

We hereby declare that Audited Financial Results for the financial year ended 31st March, 2017, which have been approved by the Board of Directors of the Company at their meeting held today, i.e, 27th May, 2017, the Statutory Auditors have not expressed any modified opinion(s) in their Audit Report.

Thanking you,

Yours faithfully,

For RAPICUT CARBIDES LIMITED


Jagdish C Bhatia
(Managing Director)

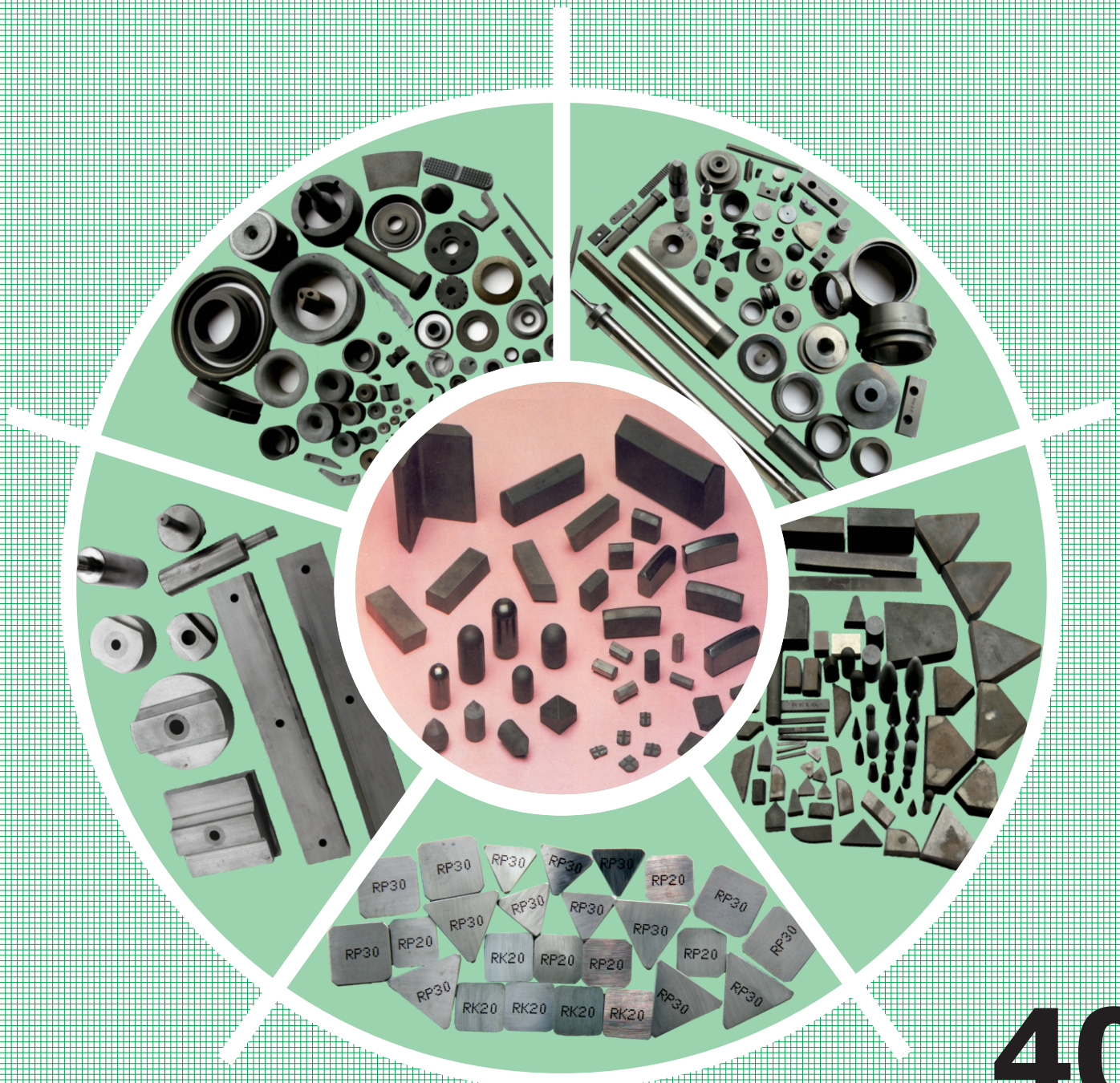
For RAPICUT CARBIDES LIMITED


Ashwin R Master
(Chief Financial Officer)

Rapicut

Rapicut Carbides Limited

AN ISO 9001:2015 COMPANY



40

**FORTIETH
ANNUAL REPORT
2016-2017**

CERTIFICATE

Management system as per
ISO 9001 : 2015

In accordance with TÜV NORD CERT procedures, it is hereby certified that

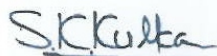
RAPICUT CARBIDES LIMITED
119, GIDC Industrial Estate,
Ankleshwar - 393 002, Gujarat,
India

applies a management system in line with the above standard for the following scope

**Manufacture and Sale of Tungsten and Tungsten Carbide
Products for Mining and Engineering Applications**

Certificate Registration No. **04 100 990693**
Audit Report No. **2.5-0062/1999**

Valid until **04.08.2020**
Valid from **04.08.2017**
Initial certification **02.06.1999**



Certification Body
at TÜV NORD CERT GmbH

Issue **18.07.2017**
Place : **Mumbai**

This certification was conducted in accordance with the TÜV INDIA auditing and certification procedures and is subject to regular surveillance audits.

TÜV NORD CERT GmbH

Langemarckstrasse 20

45141 Essen

www.tuev-nord-cert.com

TUV India Pvt. Ltd., 801, Raheja Plaza – 1, L.B.S. Marg, Ghatkopar (W), Mumbai - 400 086, India

www.tuv-nord.com/in



Deutsche
Akkreditierungsstelle
D-ZM-12007-01-01

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

Sandip Mudhalwadkar
Dy. General Manager (Marketing)

A. C. Gandhi
Sr. Manager (Production)

Sanjay Kumar
Sr. Manager (Marketing)

Consultant Team

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

Maloo Bhatt & Co.
Chartered Accountants

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

40th ANNUAL REPORT

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NOTICE

40th Annual General Meeting

NOTICE is hereby given that 40th Annual General Meeting of the Members of Rapicut Carbides Limited will be held on Saturday, the 23rd September, 2017 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 comprising the Balance Sheet as at 31st March, 2017, 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, 2017.
3. To appoint a Director in place of Shri. Jagdish C Bhatia (DIN: 00250737) 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 are 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 44th Annual General Meeting of the Company to be held in the year 2021 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 : 12th August, 2017

Kamlesh Shinde
(Company Secretary)

NOTES

1. **A member entitled to attend and vote at 40th 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 along with duly filled in Attendance Slip enclosed herewith for attending the meeting.
3. Corporate Members intending to send their Authorized Representative to attend the Meeting are requested to send a Certified Copy of the Board Resolution authorizing their Representative to attend and/or vote on their behalf at the Meeting to the Company.
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. Shareholders can register their queries, if any, on e-mail id: investors@rapicutcarbides.com.
5. The Register of Members and Share Transfer Books of the Company will remain closed from **Monday, 18th September, 2017 to Saturday, 23rd September, 2017** (both days inclusive) for the purpose of payment of dividend.
6. Dividend for the financial year ended 31st March, 2017, 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, 2017.
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
Website : 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 at least one week before the date of the Meeting to enable the Company to compile the information and provide replies at the Meeting.
10. Members who still hold share certificates in physical form are advised to dematerialize their shareholding to avail the benefits of dematerialization, which include easy liquidity. Since trading is permitted in dematerialized form only electronic transfer savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
The Shareholders can register their complaints, if any, on an exclusive e-mail ID of the Company: investors@rapicutcarbides.com/ or on the email id of the Registrar: sharexindia@vsnl.com/.
11. 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.
12. 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. The objective of these 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

2009-2010 to 2015-2016 on the website of the IEPF viz. www.iepf.gov.in/ and under “Investor Section” on the website of the Company viz. www.rapicutcarbides.com.

13. In Compliance with Section 124 and 125 of the Companies Act, 2013, the Company has transferred the unpaid and unclaimed dividends for the financial year ended 31st March, 2009 to the Investor Education and Protection Fund (the IEPF) established by the Central Government.

In terms of Section 124 of the Companies Act 2013, all unpaid and unclaimed dividend for the financial year ended 31st March 2010 will be transferred to the Investor Education and Protection Fund set up by the Government u/s 125 of the Companies Act 2013 on 30th October, 2017 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 and follow the procedure as per Rule 7 of IEPF (Accounting Audit, Transfer and Refund) Rules, 2016 (hereinafter referred as “IEPF Rules”) for claiming unpaid dividend. The Company has uploaded the information in respect of Unclaimed Dividends for the years 2009-2010 to 2015-2016 on the website of the Company.

14. As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to IEPF Demat Account. The Company had sent notice to all the members whose Dividends are lying unpaid / unclaimed against their name for seven consecutive years or more. Members are requested to claim the same. In case the dividends are not claimed, necessary steps will be initiated by the Company to transfer shares held by the members to IEPF without further notice. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF.

In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

15. The Company's shares are listed on BSE Limited. The Company has paid the listing fees for the financial year 2017-18 to BSE Ltd. The Company has also paid custodial fees for the year 2017-18 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
16. 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 physical mode. 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.
17. A route map showing directions to reach the venue of the 40th Annual General Meeting is given at the end of the Annual Report as per the requirement of Secretarial Standards-2 on “General Meeting”.
18. 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 40th Annual General Meeting by electronic means. The Instructions in this behalf are stated herein below:

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.
- B) Shri S. Samdani or in his absence Shri Suresh Kabra, Partners of M/s Samdani Shah and Kabra, 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 dispatch of the Notice of AGM and holding shares as on the cut-off date ie. 16th September, 2017, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com or 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 favor 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 Wednesday, 20th September, 2017, at 9.00 am and ends on Friday, 22nd September, 2017, 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 16th September, 2017 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.
- d) Click on Shareholders.
- e) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - 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 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:

	For Members holding shares in Demat Form and Physical Form
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"> 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. 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 RameshKumar with sequence number 1 then enter RA00000001 in the PAN field.
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"> 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 (e).

- 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 Rapidcut 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 changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- 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. 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 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.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com 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 favor 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

Details of the Director seeking 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	Shri Jagdish C Bhatia
Date of Birth	13th August, 1935
Date of Appointment	05th April, 1977
Qualification	BA (Economics), LLB.
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 Audit Committee and Stake Holder's Relationship Committee. Chairman in CSR 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	69010.
Inter-se Relationship between Directors	Father of Shri. Chander J Bhatia, Executive Director.
Director Identification Number	00250737.

BOARD'S REPORT

TO THE MEMBERS

Your Directors take pleasure in presenting their 40th Annual Report along with the Audited Financial Statements for the financial year ended 31st March, 2017. The Company operates only in one business segment viz., Tungsten and Tungsten Carbide Products.

FINANCIAL HIGHLIGHTS

Particulars	(Rs. in Lakhs)	
	Year ended 31st March, 2017	Year ended 31st March, 2016
Sales and Other Income	4749.84	3762.04
Less: Excise Duty	537.75	413.02
Sales and Other Income (Net)	4212.09	3349.02
Profit before Depreciation and Tax (Including Deferred Tax)	502.05	293.62
Profit after Depreciation and Tax	295.16	145.78
Add: Profit brought forward from previous year	821.75	774.20
Less : (i) Prior period adjustment	(0.96)	0.66
Profit available for appropriation	1117.87	919.32
Appropriations :		
Proposed Dividend	-	64.45
Tax on Proposed Dividend	-	13.12
Transfer to General Reserve	40.00	20.00
Profit carried to Balance Sheet	1077.87	821.75

DIVIDEND

After considering earnings, requirement for funds and with the objective of aptly rewarding the shareholders, your Directors recommend a dividend of Rs.1.50 (15%) per equity share for the financial year 2016-17 (Previous year Rs.1.20 per equity share i.e.12%) subject to the approval of shareholders. If approved, the dividend will absorb Rs. 96.97 Lakhs, including Corporate Dividend Tax, Surcharge and Education Cess.

TRANSFER TO RESERVES

Your Directors propose to transfer Rs. 40.00 Lakhs to the General Reserve out of the current year's profit and retain the balance amount of Rs. 1077.87 Lakhs in the Profit and Loss Account.

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

Members are aware that Company closed the Financial Year 2016-17 on a high; recording sales of Rs. 42.12 Crores (Rs. 33.49 Crores). Company also successfully completed NLC (Neyveli Lignite Corporation) order for Rs. 7.5 Crores by February 2017. Entry into 2017-18 carried a healthy order book followed by fairly satisfactory execution figures in April / May 2017. However, June 2017 was beset with looming uncertainties with regard to GST rollout effective 1st July, 2017. Consequently host of customers put execution of their orders on hold until further advice. Hopefully start up GST linked glitches should get sorted out soon and smoothen order execution thereafter.

On the development front Board is glad to report that production of Indexable Inserts has commenced. In the first phase extensive field trials are under way in Maharashtra and Gujarat. Initial performance results are quite satisfactory. Alongside a few sales trial orders have also been executed and more are in the process of materializing.

Management is reasonably confident that the pace of order inflow will gain momentum with GST related issues settling down and this is expected to happen before long.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONS

The year 2016 -17 started on a very promising note as regards healthy order book with NLC order for Rs. 7.5 Crores already in

hand and overall business conditions quite buoyant. These conditions continued throughout the year and reflect in the financial results.

The product-wise performance of the Company is mentioned below:-

Sr. No.	Particulars of Products Manufactured	12 Months ended 31/03/2017	12 Months ended 31/03/2016
1.	Metal Cutting	397063 (Nos)	479170 (Nos)
2.	Mining	1150447 (Nos)	848298 (Nos)
3.	Wear Parts	37493 (Nos.)	48844(Nos.)
4.	Intermediates	29862 (Kgs)	21498(Kgs)
5.	TC Tool Room Products	5761 (Nos)	6677 (Nos)

During the Financial Year 2016-17, Turnover was Rs. 42.12 Crores, registering an increase of 25% over 33.49 Crores in 2015-16. Net profit in 2016-17 at Rs. 2.96 Crores compared with Rs. 1.45 Crores in 2015-16 was higher by 100%.

OPPORTUNITIES, THREATS, RISKS & CONCERNS

The overall opportunities for sustained movement forward in Mining segment are bright. Order book in other segments is also showing signs of healthy momentum and this is expected to reflect pointedly in Q3 onwards.

Our newly launched Indexable Inserts project while initially concentrating on Milling Inserts presents good opportunity for moving into other inserts like Turning Inserts for which market demand is favourable.

The threat factor is not so pronounced in market operations as to cause serious concern. Company is managing and thwarting competitive forces to successfully neutralize their adverse effect.

Principally risks of which the Company has to be ever alert and effectively responsive are :

- Volatility in key raw material procurement costs mainly Tungsten Oxide and Cobalt Powder. The import cost of the latter is currently moving upwards rather speedily as a result of growing demand for batteries for Electric cars which are Cobalt guzzlers and for which impetus comes from Automobile Industry worldwide.
- Adverse fluctuation in the Exchange Rate of US Currency vis-à-vis Indian Rupee.
- Unpredictable changes in Central/State Government Policy for granting and/or renewing Mining leases.
- Natural calamities and/or accidents.

CHANGES IN NATURE OF BUSINESS AND REVISION IN THE BOARD'S REPORT

There is no change in the nature of business of the Company during the year. There is no revision made in the Board's Report and whatever submitted herewith is the final report.

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 of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

(i) DIRECTORS

Shri. Jagdish C Bhatia (DIN: 00250737) Director will retire by rotation and being eligible and not being disqualified under Section 164 of the Companies Act, 2013, offers himself for re-appointment.

(ii) KEY MANAGERIAL PERSONNEL.

There is no change in Key Managerial Personnel during the year.

(iii) 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 to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

(iv) ANNUAL EVALUATION OF BOARD

The Board of Directors have carried out an Annual Evaluation of its own performance and individual Directors pursuant to provisions of the Companies Act, 2013. The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the Board Composition and Structure, Effectiveness of Board Process, Information and Functioning etc. In a separate Meeting of the Independent Directors, performance of Non-Independent Directors, Performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

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.

BOARD MEETINGS HELD DURING THE FINANCIAL YEAR UNDER REVIEW

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

- | | |
|--------------------|------------------------|
| 1. 28th May, 2016 | 3. 5th November, 2016 |
| 2. 27th July, 2016 | 4. 12th February, 2017 |

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

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 Kanitkar- 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 Kanitkar who form the majority.

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

- | | |
|--------------------|------------------------|
| 1. 28th May, 2016 | 3. 5th November, 2016 |
| 2. 27th July, 2016 | 4. 12th February, 2017 |

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

NOMINATION AND REMUNERATION COMMITTEE AND STAKE HOLDERS RELATIONSHIP COMMITTEE

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

During the financial year under review, the Company held one Nomination and Remuneration Committee Meetings on 12th February, 2017.

The Meeting was attended by all the members.

DIRECTORS RESPONSIBILITY STATEMENT

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

- In the preparation of the Annual Financial Statements for the year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures if any;
- 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, 2017 and of the profit of the Company for the year ended on that date;

- 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;
- The Annual Financial Statements have been prepared on a going concern basis;
- Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- Systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

AUDITORS

The Company appointed M/s. Maloo Bhatt & Co., Chartered Accountants, Vadodara for one year at 39th Annual General Meeting till the conclusion of 40th Annual General Meeting. M/s. Maloo Bhatt & Co., Chartered Accountants, Vadodara are appointed for four years by the Board subject to approval by shareholders in ensuing Annual General Meeting and will hold office till conclusion of 44th Annual General Meeting to be held in the year 2021. The resolution has been mentioned at item no. 4 to the notice.

The Statutory Auditors report does not contain any qualification, reservation or adverse remark.

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 & Kabra, 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.

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.

INTERNAL CONTROL SYSTEMS, THEIR ADEQUACY & COMPLIANCE

The Company has an extensive system of internal controls to ensure optimal utilization 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 safeguarded against loss from unauthorized use or disposal and that transactions are authorized, recorded and reported correctly.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has an adequate system for internal financial controls which commensurate with its size and nature of business. Detailed procedures are in place to ensure that all assets are safeguarded and protected against losses, all transactions authorized, recorded and appropriately reported.

HEALTH, SAFETY AND MEASURES TAKEN ON ENVIRONMENT PRESERVATION.

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 minimizing safety risks in all operations in the Company. Initiatives taken by Company on Health, Safety and on Environment Preservation are mentioned below:

1. Company had appointed a dynamic safety officer supported by health committee, safety committee and fire committee.
2. In association with union and workers Company implemented following programs.

Swachha Rapicut Abhiyan

All workers do the shramdaan (working after duty hours without any pay) voluntarily twice a month and clean up the peripheral of company inside the compound.

Green Rapicut Abhiyan:

Company planted around 100 plants during the year.

Safe Rapicut Abhiyan:

Safety equipment are provided to all workers as per safety needs.

Helmet made mandatory for all employees who commutes on duty by two wheeler.

All moving / rotating parts of machines are guarded by various types of guards.

All pressure vessels are being tested at scheduled intervals.

Trainings on safety and fire is conducted periodically for all concerned committees that are entrusted with Safety.

Measures on Health

Health awareness training program to all the workers by NGOs.

Company is successful in achieving tobacco free personnel.

Safety nose masks are provided to keep workers away from any occupational health issues.

Measures taken on Environment Preservation

Workers are educated for making minimum waste of food, cotton, plastics and plastic bags etc. These wastes are collected and disposed off regularly.

Company is in process of making compost pit and convert the waste into fertilizers. This in turn will help Company to keep environment clean.

ACCIDENT AT FACTORY :

There were no accidents during the year under review except one minor accident where one operator had finger injury.

Root cause for this incidence was unsafe act by the worker at the work place.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

Employees are 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	:	112
Number of Employees Recruited during the year	:	015
Number of Employees Resigned during the year	:	011
Number of Employees Retired/Expired during the year	:	006
Number of Employees at the End of the year	:	110*

*Including Contractual Employees and Fixed Term Employees.

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 behavior, actual or suspected fraud or violation of the Company's code of conduct policy. The said Policy provides for adequate safeguards against victimization and 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 are not applicable to the Company as the paid up share capital of the Company 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 that 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 had not increased significantly. However the increase in power consumption is mainly due to increase in overall production.

2. Details of total energy consumption :

Sr. No.		Particulars	2016-2017	2015-2016
(a)	I	Purchased:-		
	Electricity			
	(i)	Unit (KWH)	23,68,464	18,87,277
	(ii)	Total Amount (Rs in Lakhs)	178.26	147.06
	(iii)	Rate/Unit (Rs.)	7.53	7.79
(b)		Own Generation		
	(i)	Coal	Not Applicable	Not Applicable
	(ii)	Furnace Oil- KI	Not Applicable	Not Applicable

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company has not imported, innovated or adapted any technology during the year under review.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the Period under review:

		<u>2016-17</u>	<u>Rs. In Lakhs</u> <u>2015-16</u>
a)	Foreign exchange earnings :	26.30	32.81
b)	Foreign exchange expenditure :	2146.20	1263.13

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

Since the Company is not falling under all three criteria mentioned in Section 135 (1) of the Companies Act, 2013. The Company is not required to spend 2% of the average net profits of the three immediately preceding financial years mentioned in Section 135 (5) of the Companies Act, 2013, the statement to this effect is furnished in "Annexure A".

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not granted any loans, guarantees and investments for the financial year ended 31st March, 2017 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.

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.

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 : 1:0.1029 Shri. Chander J Bhatia, Executive Director : 1:0.1290
2.	Percentage increase in remuneration of each Director, Chief Financial Officer, Executive Director, Company Secretary	Shri. Jagdish C Bhatia, Managing Director : 20.95% Shri. Chander J Bhatia, Executive Director : 10.86% Shri. Ashwin R Master, Chief Financial Officer : 6.27% Shri. Kamlesh M Shinde, Company Secretary : 77.56%
3.	Percentage increase in the median remuneration of employees in the financial year	Increase by 11.38%
4.	Number of permanent Employees as on 31st March, 2017 on the rolls of the Company	84 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 : 15.18% Other Personnel : 12.37%
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.

DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

The Company issued three reminders to the Shareholders who had not claimed Bonus Shares and after ascertaining the response from the concerned Shareholders, the Company transferred total 92118 shares belonging to 343 members to Demat Suspense Account.

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 : 12th August, 2017

Chetan G. Cholera
(Director)

Jagdish C. Bhatia
(Managing Director)

Annexure A

Annual Report on Corporate Social Responsibility activities for the financial year 2016-17

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. Weblink to the CSR Policy of the Company: www.rapicutcarbides.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 3,30,85,400/-.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Company is not required to spend on CSR activities during the year 2016-17 as it is not falling under all three criteria mentioned in Section 135 (1) of the Companies Act, 2013.

5. Details of CSR Spent during the financial year :

- Total amount to be spent for the financial year: Not Applicable.
- Amount unspent, if any: Not Applicable.
- 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: Not Applicable.
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 : 12th August, 2017

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 Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto. Followings are the transactions at Arm's Length and in the Ordinary Course of Business. There is no transaction which can be defined as the transaction not being at Arm's Length and not in the ordinary course of business.

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 20,000/- rent per month plus Society Charges and taxes at actuals.	Rs 15000/- rent per month plus actual charges and taxes at actuals.
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	11 th February, 2016	11 th February, 2016	28 th May, 2016
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 : 12th August, 2017

Chetan G. Cholera
Director

Jagdish C. Bhatia
Managing Director

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.

Annexure D

FORM MGT – 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2017

[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 Limited 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	
A. Promoters									
(1) Indian									
a) Individual	1306392	-	1306392	24.32	1217278	-	1217278	22.66	(1.66)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	625746	-	625746	11.65	625646	-	625646	11.65	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other (NRI)	51242	-	51242	0.95	51242	-	51242	0.95	-
Sub-Total (A)(1)	1983380	-	1983380	36.92	1894166	-	1894166	35.26	(1.66)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	4750	4750	0.09	-	1900	1900	0.04	(0.05)
b) Banks / FI	1000	375	1375	0.02	1000	375	1375	0.02	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	1000	5125	6125	0.11	1000	2275	3275	0.06	(0.05)
2. Non-Institutions									
a) Bodies Corp									
i) Indian	169485	18574	188059	3.50	84897	9087	93984	1.75	(1.75)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1511719	672629	2184348	40.66	1674004	561177	2235181	41.61	0.95
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	901880	73937	975817	18.16	877100	148555	1025655	19.09	0.93
c) Others (specify)									
Non Resident Indians	20690	187	20877	0.39	40787	187	40974	0.76	0.37
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	12639	-	12639	0.23	73260	-	73260	1.36	1.13
Trusts	-	-	-	-	4750	-	4750	0.08	0.08
Foreign Bodies-D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	2616413	765327	3381740	62.96	2754798	719006	3473804	64.67	1.71
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2617413	770452	3387865	63.07	2755798	721281	3477079	64.73	1.66
C. Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4600793	770452	5371245	100%	4649964	721281	5371245	100%	-

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	-	625646	11.64	-	(0.01)
2	Chetan Gopaldas Cholera	256212	4.77	-	256212	4.77	-	-
3	Bharti Chetan Cholera	285537	5.32	-	196423	3.65	-	(1.67)
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 Ltd	-	-	-	-	-	-	-
9	Meera Shankar Pendsay	225269	4.19	-	225269	4.19	-	-
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	-	-

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	JAGDISH C BHATIA				
	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
1	GIRISH BHUTRA				
	Opening Balance	134000	2.49	134000	2.49
	Shares bought during the period 01/04/2016 to 31/03/2017	19003	0.35	153003	2.84
	Shares sold during the period 01/04/2016 to 31/03/2017	153003	2.84	-	-
	Closing Balance	-	-	-	-
2	DEEPAK K NATESAN				
	Opening Balance	100399	1.87	100399	1.87
	Shares bought during the period 01/04/2016 to 31/03/2017	-	-	100399	1.87
	Shares sold during the period 01/04/2016 to 31/03/2017	81174	1.51	19225	0.36
	Closing Balance	19225	0.36	19225	0.36
3	PUSHPA KUMAR				
	Opening Balance	94000	1.75	94000	1.75
	Shares bought during the period 01/04/2016 to 31/03/2017	-	-	94000	1.75
	Shares sold during the period 01/04/2016 to 31/03/2017	-	-	94000	1.75
	Closing Balance	94000	1.75	94000	1.75
4	G V NAGABRAHMA				
	Opening Balance	84323	1.57	84323	1.57
	Shares bought during the period 01/04/2016 to 31/03/2017	17785	0.33	102108	1.90
	Shares sold during the period 01/04/2016 to 31/03/2017	-	-	102108	1.90
	Closing Balance	102108	1.90	102108	1.90
5	SHASHI RANI GUPTA				
	Opening Balance	56402	1.05	56402	1.05
	Shares bought during the period 01/04/2016 to 31/03/2017	-	-	56402	1.05
	Shares sold during the period 01/04/2016 to 31/03/2017	2000	0.04	54402	1.01
	Closing Balance	54402	1.01	54402	1.01
6	RAJIV KHANNA				
	Opening Balance	37681	0.70	37681	0.70
	Shares bought during the period 01/04/2016 to 31/03/2017	-	-	37681	0.70
	Shares sold during the period 01/04/2016 to 31/03/2017	-	-	37681	0.70
	Closing Balance	37681	0.70	37681	0.70
7	MONARCH NETWORTH CAPITAL LTD				
	Opening Balance	34389	0.64	34389	0.64
	Shares bought during the period 01/04/2016 to 31/03/2017	-	-	34389	0.64
	Shares sold during the period 01/04/2016 to 31/03/2017	34389	0.64	-	-
	Closing Balance	-	-	-	-
8	P SAHARSH				
	Opening Balance	33350	0.62	33350	0.62
	Shares bought during the period 01/04/2016 to 31/03/2017	-	-	33350	0.62
	Shares sold during the period 01/04/2016 to 31/03/2017	-	-	33350	0.62
	Closing Balance	33350	0.62	33350	0.62
9	GAJANAN BHALCHANDRA JOGLEKAR				
	Opening Balance	30440	0.56	30440	0.56
	Shares bought during the period 01/04/2016 to 31/03/2017	-	-	30440	0.56
	Shares sold during the period 01/04/2016 to 31/03/2017	29200	0.54	1240	0.02
	Closing Balance	1240	0.02	1240	0.02
10	JITENDRA RAMNIKLAL POOJ (HUF)				
	Opening Balance	30307	0.56	30307	0.56
	Shares bought during the period 01/04/2016 to 31/03/2017	-	-	30307	0.56
	Shares sold during the period 01/04/2016 to 31/03/2017	17608	0.52	12699	0.04
	Closing Balance	12699	0.04	12699	0.04

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
11	NIDHI JAWAHAR				
	Opening Balance	-	-	-	-
	Shares bought during the period 01/04/2016 to 31/03/2017	53993	1.00	53993	1.00
	Shares sold during the period 01/04/2016 to 31/03/2017	-	-	53993	1.00
	Closing Balance	53993	1.000	53993	1.00
12	M B PADMAVATHI				
	Opening Balance	25358	0.47	25358	0.47
	Shares bought during the period 01/04/2016 to 31/03/2017	20509	0.38	45867	0.85
	Shares sold during the period 01/04/2016 to 31/03/2017	-	-	45867	0.85
	Closing Balance	45867	0.85	45867	0.85
13	SANDEEP JHAVERI HUF				
	Opening Balance	19928	0.37	19928	0.37
	Shares bought during the period 01/04/2016 to 31/03/2017	12251	0.23	32179	0.60
	Shares sold during the period 01/04/2016 to 31/03/2017	-	-	32179	0.60
	Closing Balance	32179	0.60	32179	0.60
14	UTSAV PRAMODKUMAR SHRIVASTAV				
	Opening Balance	-	-	-	-
	Shares bought during the period 01/04/2016 to 31/03/2017	33000	0.61	33000	0.61
	Shares sold during the period 01/04/2016 to 31/03/2017	3000	0.05	30000	0.56
	Closing Balance	30000	0.56	30000	0.56
15	S S KUMAR HUF				
	Opening Balance	28825	0.54	28825	0.54
	Shares bought during the period 01/04/2016 to 31/03/2017	-	-	28825	0.54
	Shares sold during the period 01/04/2016 to 31/03/2017	-	-	28825	0.54
	Closing Balance	28825	0.54	28825	0.54

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 nd Joint Holder)	0.01	625 (2 nd Joint Holder)	0.01
6	Gayatri Parikh	5000	0.09	5000	0.09
7	Lalit Mohan Bijlani	Nil	Nil	Nil	Nil
8	Ashwin R Master (CFO)	Nil	Nil	Nil	Nil
9	Kamlesh M Shinde (Company Secretary)	Nil	Nil	Nil	Nil

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,73,29,593	-	-	1,73,29,593
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,567	-	-	3,567
Total (i+ii+iii)	1,73,33,160	-	-	1,73,33,160
Change in Indebtedness during the financial year	-	-	-	-
* Addition	97,42,911	-	-	97,42,911
* Reduction	(3,78,59,859)	-	-	(3,78,59,859)
Net Change	(2,81,16,948)	-	-	(2,81,16,948)
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	1,07,19,393	-	-	1,07,19,393
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	64,395	-	-	64,395
Total (i+ii+iii)	(1,07,83,788)	-	-	(1,07,83,788)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In Rs.)

SN.	Particulars	Name of MD/WT/ 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	12,53,400	15,61,221	28,14,621
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,75,801	1,98,644	6,74,445
	(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	2,12,117	1,88,,723	400,840
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	19,41,318	19,48,588	38,89,906
	Ceiling as per the Act	10% of the Net Profit		

B. Remuneration to other directors

(In Rs.)

Sr. No.	Particulars of Remuneration	Name of Directors					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	20,000	5,000	-	-	45,000
	Commission	95,342	95,342	95,342	-	-	2,86,026
	Others, please specify	-	-	-	-	-	-
	Total (1)	1,15,342	1,15,342	1,00,342	-	-	3,31,026
2	Other Non-Executive Directors						
	Fee for attending Board/ Committee meetings	-	-	-	15,000	15,000	30,000
	Commission	-	-	-	95,343	95,342	1,90,685
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	1,10,343	1,10,342	2,20,685
	Total (B)=(1+2)	1,15,342	1,15,342	1,00,342	1,10,343	1,10,342	5,31,711
	Total Managerial Remuneration	-	-	-	-	-	5,31,711
	Overall Ceiling as per the Act	1% of the Net Profit					

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

(In Rs.)

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	5,15,880	10,55,592	15,71,472
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	37,500	39,865	77,365
	(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	5,53,380	10,95,457	16,48,837

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :

There were no instances of any penalties/punishments/compounding of offences for the year ended 31st March, 2017.

ANNEXURE E

Form MR-3

Secretarial Audit Report

for the Financial Year ended March 31, 2017

[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, 2017, 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, 2017, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- 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 thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 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, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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 of Capital and Disclosure Requirements) Regulations, 2009;

- (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. The following Standards / Agreement and Regulations as applicable:
- (a) Secretarial Standards issued by The Institute of Company Secretaries of India; and
 - (b) The Listing Agreement entered into by the Company with BSE Limited. However, it is not mandatory for the company to comply with the provisions of Corporate Governance as specified in 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 period under review 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 period under review, if any, were carried out in compliance with the provisions of the Act.

We further report that 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.

We further report that 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 / actions 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 & Kabra

(Erstwhile Samdani Shah & Asso.)

Company Secretaries

FCS No. 3677

CP No. 2863

Date: 20th July, 2017

Vadodara.

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

Appendix A

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

Our Secretarial Audit report of even date is to be read along with this letter, that:

- 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.
- 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.
- Wherever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

S. Samdani
Partner
Samdani Shah & Kabra
(Erstwhile Samdani Shah & Asso.)
Company Secretaries
FCS No. 3677
CP No. 2863

Date: 20th July, 2017

Vadodara.

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, 2017 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, 2017 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: 27th May, 2017

Aswhin R. Master
Chief Financial Officer

Jagdish C. Bhatia
Managing Director

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, 2017.

Place : Mumbai.
Date : 27th May, 2017

Jagdish C. Bhatia
Managing Director

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, 2017, 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, 2017;
- (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.

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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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, 2017 on its financial position in its financial statement.
 - b) The Company did not have any long-term contracts including derivative 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.
 - d) The Company has provided requisite disclosures in its financial statements as to holding as well as dealings in specified Bank Notes during the period 8th November, 2016 to 30th December, 2016. These are in accordance with the Books of Accounts maintained by the company.

For Maloo Bhatt & Co.
Chartered Accountants
 FR No 129572W
YASH BHATT
 Mem. No 117745

Date : 27th May, 2017
 Place : Mumbai

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, 2017.

- 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. 9.74/- 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 (Rs. 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	4.71
3	Service Tax	Service Tax	Commissioner (Appeal)	4.93
			TOTAL	9.74

- 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 Maloo Bhatt & Co.
Chartered Accountants

YASH BHATT
Partner
Mem. No.117745
FR No.129572W

Date : 27th May, 2017

Place : Mumbai

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 31st March, 2017 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, 2017, 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 Maloo Bhatt & Co.
Chartered Accountants

YASH BHATT
Partner
Mem. No.117745
FR No.129572W

Place : Mumbai
Date : 27th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

SR. NO.	PARTICULARS	NOTE NO.	31.03.2017 Rupees	31.03.2016 Rupees
EQUITY AND LIABILITIES				
1	SHAREHOLDERS' FUNDS			
(a)	Share Capital	1	5,37,12,450	5,37,12,450
(b)	Reserves & Surplus	2	17,02,50,576	14,06,38,769
(c)	Money received against Share Warrants		-	-
	TOTAL		22,39,63,026	19,43,51,219
2	SHARE APPLICATION MONEY PENDING ALLOTMENT		-	-
3	NON-CURRENT LIABILITIES			
(a)	Long Term Borrowings	3	32,88,365	1,08,479
(b)	Deferred Tax Liabilities (Net)		22,24,168	19,49,118
(c)	Other Long-Term Liabilities	4	6,45,000	6,45,000
(d)	Long-Term Provisions	5	25,05,731	22,12,718
	TOTAL		86,63,264	49,15,315
4	CURRENT LIABILITIES			
(a)	Short Term Borrowings	6	(1,80,37,204)	1,69,15,327
(b)	Trade Payables	7		
	Due to Micro & Small Enterprises		8,08,657	3787278
	Others		4,68,47,387	15224913
(c)	Other Current Liabilities	8	1,40,61,376	99,24,739
(d)	Short Term Provisions	9	72,80,932	1,59,32,176
	TOTAL		5,09,61,148	6,17,84,433
	TOTAL		28,35,87,438	26,10,50,967
ASSETS				
1	NON-CURRENT ASSETS			
(a)	Fixed Assets			
(i)	Tangible Assets	10	5,42,57,305	4,61,71,508
(ii)	Intangible Assets	11	28,97,512	3,75,833
(iii)	Capital Work-In-Progress		5,09,751	2,22,076
(iv)	Intangible Assets Under Dev.		-	-
(b)	Non-Current Investments	12	27,750	2,02,750
(c)	Deferred Tax Assets (Net)		-	-
(d)	Long-Term Loans And Advances	13	36,06,173	36,33,173
(e)	Other Non-Current Assets		1,51,037	3,02,075
	TOTAL		6,14,49,528	5,09,07,415
2	CURRENT ASSETS			
(a)	Current Investments		-	-
(b)	Inventories	14	15,23,60,084	13,68,62,883
(c)	Trade Receivables	15	4,07,78,439	5,17,11,824
(d)	Cash And Cash Equivalents	16	1,09,20,751	1,36,26,922
(e)	Short-Term Loans And Advances	17	1,65,43,346	65,34,262
(f)	Other Current Assets	18	15,35,290	14,07,661
	TOTAL		22,21,37,910	21,01,43,552
	TOTAL		28,35,87,438	26,10,50,967
	Accounting Policies	27	-	-
	Others Note forming part of Accounts	28	-	-

Auditor's Report Signed in terms of our separate report of even date
For Maloo Bhatt & Co.
Chartered Accountants

Yash Bhatt
Partner
M. No. 117745
FR No. 1259572W

Place : Mumbai
Date : 27th May, 2017.

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, 2017

SR. NO.	PARTICULARS	NOTE NO.	31.03.2017 Rupees	31.03.2016 Rupees
1.	Revenue From Operations			
	Revenue from Operations	19	41,94,15,593	33,44,53,403
	Other Income	20	17,94,027	4,49,344
	Total Revenue		42,12,09,620	33,49,02,747
2.	Expenses :			
	- Cost of Material Consumed	21	26,36,50,804	17,77,00,048
	- Purchase of Stock-In-Trade	-	-	-
	- Changes In Inventories of Finished Goods & Work-in-Process	22	(65,97,822)	2,59,95,667
	- Employee Benefits Expenses	23	5,10,40,966	4,41,42,319
	- Finance Costs	24	33,89,084	44,26,307
	- Depreciation And Amortization Expense	25	66,14,136	56,23,111
	- Other Expenses	26	5,95,21,230	5,32,76,596
	Total Expenses		37,76,18,398	31,11,64,048
	Profit Before Exceptional And Extraordinary Items And Tax		4,35,91,222	2,37,38,699
	Exceptional Items - Prior Period		-	72,953
	Profit Before Extraordinary Items And Tax		4,35,91,222	2,36,65,746
	Extraordinary Items		-	-
	Profit Before Tax Expenses		4,35,91,222	2,36,65,746
	- Current Tax		1,38,00,000	89,00,000
	- Earliar Years Tax		(95,635)	7,197
	- Deferred Tax		2,75,050	(2,60,359)
	Profit For The Period From Continuing Operations		2,96,11,807	1,45,12,584
	Profit From Discontinuing Operations		-	-
	Tax Expense Of Discontinuing Operations		-	-
	Profit From Discontinuing Operations (After Tax)		-	-
	Profit For The Period		2,96,11,807	1,45,12,584
	Earning Per Equity Share			
	- Basic		5.51	2.70
	- Diluted		5.51	2.70
	Accounting Policies	27	-	-
	Other Notes forming part of Accounts	28	-	-

Auditor's Report Signed in terms of our separate report of even date
For Maloo Bhatt & Co.
Chartered Accountants

Yash Bhatt
Partner
M. No. 117745
FR No. 1259572W

Place : Mumbai
Date : 27th May, 2017.

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs.)

	Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
I	CASH INFLOWS		
(01)	From Operating activities		
	(a) Profit from operating activities Adjustments :	4,35,91,222	2,37,38,699
	Depreciation and amortization	66,14,136	56,23,111
	Amortization of Stock	-	-
	Compensation	-	-
	Loss on sale of Fixed assets	238	-
	Loss on sale of Investment	-	9,750
	Assets written off	24,130	27,545
	Provision/(Reversal) Long Term Other	-	-
	Provision/(Reversal) Long Term	-	-
	Other Income	(17,94,027)	(4,49,344)
	(b) Working capital changes :		
	Decrease in inventories	-	2,50,97,771
	Decrease in trade receivables	1,09,33,385	1,38,46,783
	Decrease in short-term loans and advances	-	1,33,872
	Decrease in other current assets	-	2,27,073
	Increase in trade payables	2,86,43,853	-
	Increase in other current liabilities	41,36,637	6,10,641
	Increase in short term provisions	-	15,20,542
	Total of (1)	9,21,49,574	7,03,86,443
(02)	From Investing activities		
	(a) Proceeds from sale of fixed assets	4,762	-
	(b) Proceeds from sale of investments	1,75,000	2,00,000
	(c) Decrease in other long-term loans and advances	27,000	-
	(d) Decrease in other non current assets	1,51,038	-
	(e) Dividend received	21,000	21,000
	(f) Interest received	5,16,894	3,85,914
	(g) Other income	88,833	42,430
	(h) Profit on sale of investment	11,67,300	-
	Total of (2)	21,51,827	6,49,344
(03)	From Financing activities		
	(a) Proceeds from long-term Liabilities	-	25,000
	(b) Proceeds from long-term provisions	2,93,013	93,926
	(c) Proceeds from other non current assets	-	1,51,038
	(d) Proceeds from short-term borrowings	31,79,886	-
	Total of (3)	34,72,899	2,69,964
	Total cash inflows (1+2+3)	9,77,74,300	7,13,05,751

(Rs.)

II	CASH OUTFLOWS		
(01)	From Operating activities		
	(a) Loss from operating activities Adjustments :		
	Depreciation and amortization	-	-
	Provision / (Reversal) Long Term	-	-
	(b) Working capital changes :		
	Increase in inventories	1,54,97,201	-
	Increase in short term loan and advances	1,00,09,084	-
	Increase in trade receivables	-	-
	Increase in other current assets	1,27,629	-
	Decrease in trade payables	-	30,67,120
	Decrease in other current liabilities	-	-
	Decrease in short term provisions	86,51,244	-
	Total of (1)	3,42,85,158	30,67,120
(02)	From Investing activities		
	(a) Purchase of tangible assets/Capital work in progress	1,48,16,122	3,42,50,88
	(b) Purchase of intangible assets/assets under development	27,22,295	-
	(c) Increase in Long Term Loan and Advances	-	1,08,485
	Total of (2)	1,75,38,417	35,33,573
(03)	From Financing activities		
	(a) Repayment of long-term borrowings	-	3,11,603
	(b) Repayment of short-term borrowings	3,49,52,531	1,12,44,260
	(c) Dividend paid (including distribution tax)	-	77,57,668
	(d) Direct Tax Paid	1,37,04,365	88,92,803
	(e) Prior period expenses	-	72,953
	Total of (3)	4,86,56,896	2,82,79,287
	Total cash outflows (1+2+3)	10,04,80,471	6,24,88,980
III	Net (decrease)/increase in cash and cash equivalents(I-II)	(27,06,171)	88,16,771
	Add: Cash and cash equivalents at the beginning of the period	1,36,26,922	48,199,01
IV	Cash and cash equivalents at the end of the period	1,09,20,751	1,36,26,922

Auditor's Report Signed in terms of our separate report of even date
For Maloo Bhatt & Co.
Chartered Accountants

Yash Bhatt
Partner
M. No. 117745
FR No. 1259572W

Place : Mumbai
Date : 27th May, 2017.

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

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2017

SR. NO.	PARTICULARS	NOTE No.	31.03.2017 Rupees	31.03.2016 Rupees
1	Share Capital :	1		
(a)	Authorised : 80,00,000 (Last Year 80,00,000) Equity Shares of Rs.10/- Each		8,00,00,000	8,00,00,000
(b)	Issued, Subscribed & Paid Up 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 shareholders of erstwhile Gujarat Drilwell Pvt. Ltd for consideration other than cash)		5,37,12,450	5,37,12,450
	TOTAL		5,37,12,450	5,37,12,450
(c)	Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period. At the beginning of the period Outstanding at the end of the period		53,71,245 53,71,245	53,71,245 53,71,245
(d)	Terms/rights attached to equity shares 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, 2017		1.50	1.20
(e)	Details of shareholders holding more than 5% shares in the company - Equity Share of Rs.10/- each fully paid up :-			
			No. of Shares held	%
	Pragya Equities Pvt. Ltd.		6,25,646	11.65
	Dayawanti J Bhatia		3,00,585	5.60
	Bharti Chetan Cholera		1,96,423	3.66
(f)	Aggregate number of shares issued as bonus for consideration other than cash during the period of five years immediately preceding the reporting date		32,22,747	32,22,747
(g)	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		-	-
2	Reserves & Surplus :	2		
1	General Reserve At the beginning of the accounting period Additions during the year At the end of the accounting period		4,10,00,000 40,00,000 4,50,00,000	3,90,00,000 20,00,000 4,10,00,000
2	Securities Premium Account At the beginning of the accounting period Additions / (deduction) during the year At the end of the accounting period		1,27,15,948 - 1,27,15,948	1,27,15,948 - 1,27,15,948
3.	Surplus At the beginning of the accounting period Additions during the year (Balance In Statement of Profit & Loss A/C) Allocations & Appropriations : Dividend Tax on Dividend Transfer to / from Reserves At the end of the accounting period		8,21,74,907 2,96,11,807 40,00,000 - - 10,77,86,714	7,74,19,991 1,45,12,584 20,00,000 64,45,494 13,12,174 8,21,74,907

Sr. No.	Particulars	Note No.	31.03.2017 Rupees	31.03.2016 Rupees
4.	Capital Reserve		29,06,317	29,06,317
5.	Central / State Govt. Subsidy		18,41,597	18,41,597
	TOTAL		17,02,50,576	14,06,38,769
3.	Long Term Borrowings	3		
	1. Secured Long Term Borrowings:		22,36,920	-
	Term Loan from State Bank of India 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.			
	2. Unsecured Long Term Borrowings :			
	Loans from State Bank of India - Car Loan		10,51,445	1,08,479
	TOTAL		32,88,365	1,08,479
4.	Other Long-Term Liabilities :	4		
	Security Deposits from Distributors		6,45,000	6,45,000
	TOTAL		6,45,000	6,45,000
5.	Long-Term Provisions :	5		
	Provision for Leave Encashment		25,05,731	22,12,718
	TOTAL		25,05,731	22,12,718
6.	Current Liabilities :	6		
	Short-Term Borrowings :			
	1. Secured Loans from Banks			
	From State Bank of India - Cash Credit		(1,80,37,204)	1,69,15,327
	(Secured against hypothecation of Stock & Book-debts)			
	TOTAL		(1,80,37,204)	1,69,15,327
	Short-Term Borrowings : Notes			
	1. Cash Credit facilities availed from State Bank of India		(1,80,37,204)	1,69,15,327
	2. Term Loan from State Bank of India		58,36,920	-
	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.			
	3. Term loan facilities availed from State Bank of India is secured against hypothecation of vehicle.		14,16,496	4,17,833
7.	Trade Payables	7		
	Sundry Creditors			
	(i) Due to Micro & Small Enterprise		808,657	37,87,278
	(ii) Others		4,39,44,577	1,44,57,775
	Advance from parties-Interest free		29,02,810	767,138
	TOTAL		4,76,56,044	1,90,12,191
8.	Other Current Liabilities	8		
	1 Current maturities of long term debts (See Note-2)		39,65,051	3,09,354
	2 Unpaid Dividends		34,00,642	33,02,531
	3 Duties & Taxes		46,87,948	38,52,872
	4 Current Year Tax Payable (Net of Advance Tax)		20,07,735	24,59,982
	TOTAL		1,40,61,376	99,24,739
9.	Short-Term Provisions	9		
	1 Provision for Expenses		72,80,932	81,74,508
	2 Provision for Dividend		-	64,45,494
	3 Provision for Tax on Dividend		-	13,12,174
	TOTAL		72,80,932	1,59,32,176

FIXED ASSETS

NOTE NO.10 i) TANGIBLE ASSETS

Items	GROSS BOLCK				DEPRECIATION				NET BLOCK	
	Opening Balance 01-04-16 Rupees	Addi- -tions Rupees	Sales/ Disposal/ Transfer Rupees	Closing Balance 31-03-17 Rupees	Opening Balance 01-04-16 Rupees	Depri during the year Rupees	Deduc- -tion Rupees	Depri up to 31.03.17 Rupees	Closing Balance 31-03-17 Rupees	Opening Balance 01-04-16 Rupees
Leasehold Land	352174	-	-	352174	136607	3557	-	140164	212010	215567
Buildings	22200383	1266264	-	23466647	10447795	560129	-	11007224	12459423	11753288
Plant & Machinery and Electrical Fittings	80878554	9871390	2555130	88194814	50490477	4865447	2531000	52824924	35369890	30388074
Data Process Equipment	2301258	649239	-	2950497	1419569	261428	-	1680997	1269500	881689
Furniture Fixture & Office Equipment	2247729	912178	100000	3059907	1246686	197781	95000	1349467	1710435	1001043
Vehicles	3644950	1829378	-	5474328	1713103	525178	-	2238281	3236047	1931847
TANGIBLE ASSETS	111625048	14528449	2655130	123498367	65453537	6413520	2626000	69241057	54257305	46171508

NOTE NO. 11 (i) INTANGIBLE ASSETS

Technical Know-how	2732635	-	2126954	605681	2356802	121136	2126954	350984	254697	375833
Software	-	2722295	-	2722295	-	79480	-	79480	2642815	-
TOTAL	2732635	2722295	2126954	3327976	2356802	200616	2126954	430464	2897512	375833
TOTAL ASSETS	114357683	17250744	4782084	126826343	67810339	6614136	4752954	69671521	57154817	46547341

(ii) CAPITAL WORK-IN-PROGRESS

Machinery under Installation	222076	509751	222076	509751	-	-	-	-	509751	222076
TOTAL	222076	509751	222076	509751	-	-	-	-	509751	222076
GRAND TOTAL	114579759	17760495	5004160	127336094	67810339	6614136	4752954	69671521	57664568	46769417
PREVIOUS YEAR	113475225	3425085	2320551	114579759	64205354	5623111	2293006	67810339	46769417	48994986

SR. NO.	PARTICULARS	NOTE No.	31.03.2017 Rupees	31.03.2016 Rupees
12.	Non Current Assets	12		
	Non Current Investment :			
	(A) Unquoted - Trade - Long Term			
	1) In Government Securities- National Saving Certificates		12,000	12,000
	2) Others - 1581 Equity Shares of Bharuch Enviro Infrastructure Ltd.		15,750	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/-)		-	1,75,000
	TOTAL		27,750	2,02,750

SR. NO.	PARTICULARS	NOTE No.	31.03.2017 Rupees	31.03.2016 Rupees
13.	Long Term Loans And Advances :	13		
	Security Deposits		36,06,173	36,33,173
	(Unsecured considered good unless otherwise stated)			
	TOTAL		36,06,173	36,33,173
14.	Current Assets			
	Inventories :	14		
	(As taken, valued & certified by the Management)			
	1. Raw Materials		2,13,83,022	1,40,28,900
	2. Work In Process		7,10,14,737	7,22,12,197
	3. Finished Goods		3,31,30,728	2,53,35,446
	4. Stores, Spares & Loose Tools		2,62,95,255	2,33,77,127
	5. Goods in-transit		5,36,342	19,09,213
	TOTAL		15,23,60,084	13,68,62,883
15.	Trade Receivables :	15		
	(Unsecured considered good unless otherwise stated)			
	(1) Debts outstanding for a period exceeding six months from the dates they are due		7,44,577	46,67,902
	(2) Other Debts		4,00,33,862	4,70,43,922
	TOTAL		4,07,78,439	5,17,11,824
16.	Cash & Cash Equivalents :	16		
	(A) Balance With Banks			
	In Fixed Deposits			
	- Earmarked Balances with Banks held as Margin Money against borrowings and other commitments. (Maturity with less than 12 months)		35,63,732	47,95,373
	In Current Accounts		72,52,856	87,79,569
	(B) Cash on hand		1,04,163	51,980
	TOTAL		1,09,20,751	1,36,26,922
17.	Short Term Loans & Advances :	17		
	(Unsecured considered goods unless otherwise stated)			
	Advances Recoverable in cash or kind for the value to be received			
	(1) Advance to Parties		1,44,52,078	46,94,150
	(2) Receivable / Recoverable from Revenue Authorities		20,91,268	18,40,112
	TOTAL		16,543,346	65,34,262
18.	Other Current Assets :	18		
	(1) Prepaid Expenses		9,78,721	7,55,465
	(2) Tender Deposits		70,000	44,000
	(3) Interest Accrued but not Received		2,45,518	2,99,777
	(4) Insurance Claim		2,41,051	3,08,419
	TOTAL		15,35,290	14,07,661

SR. NO.	PARTICULARS	NOTE No.	31.03.2017 Rupees	31.03.2016 Rupees
19.	Revenue From Operations	19		
	Sale of Products (Net of Returns, Discount Etc.)		47,31,90,524	37,57,55,046
	Other Operating Revenues		-	-
			47,31,90,524	37,57,55,046
	Less : Excise Duty		5,37,74,931	41,301,643
	Net Revenue From Operations		41,94,15,593	3,34,453,403
20.	Other Income :	20		
	Interest Income (Tds Rs. 92,805/-)		5,16,894	3,85,914
	Misc Income		88,833	42,430
	Dividend Income		21,000	21,000
	Profit on sale of Investment		11,67,300	-
	TOTAL		17,94,027	4,49,344
21.	Cost Of Materials Consumed :	21		
	Purchases Raw-Materials		27,10,04,926	17,19,71,919
	Add: Opening Balance of Stock		14,028,900	19,757,029
			28,50,33,826	191,728,948
	Less: Closing Balance of Stock		2,13,83,022	14,028,900
	Consumption of Materials		26,36,50,804	17,77,00,048
22.	Changes In Inventories	22		
	Finished Goods			
	At the beginning of the Accounting Period		2,53,35,446	2,56,66,928
	At the end of the Accounting Period		3,31,30,728	2,53,35,446
			(77,95,282)	3,31,482
	Work-In-Process			
	At the beginning of the Accounting Period		7,22,12,197	9,78,76,382
	At the end of the Accounting Period		7,10,14,737	7,22,12,197
			11,97,460	2,56,64,185
	TOTAL		(65,97,822)	2,59,95,667
23.	Employee Benefits Expense :	23		
	Salary And Wages			
	Factory Wages		2,01,34,286	1,72,74,963
	Office Staff Salary		1,37,76,529	1,18,31,199
	Marketing Staff Salary & Incentives		18,63,344	20,44,136
	Directors Remuneration		44,67,347	37,40,280
	Contribution to Provident & Other Funds			
	Contribution to Provident Fund		29,75,494	24,88,730
	Contribution to Employees State Insurance Fund		351,183	1,55,519
	Contribution to Labour Welfare Fund		1,806	1,014
	Contribution to Gratuity Fund		13,00,950	12,48,780
	Contribution to Super Annuation Fund		979,694	10,13,886
	Other Expenses			
	Workers & Staff Welfare		18,37,073	18,40,619
	Bonus & Exgratia		17,90,013	15,62,618
	Leave With Wages		5,00,951	1,93,842
	Perquisites to Employees		10,62,296	7,46,733
	TOTAL		5,10,40,966	4,41,42,319

SR. NO.	PARTICULARS	NOTE NO.	31.03.2017 Rupees	31.03.2016 Rupees
24.	Financial Costs :	24		
	Interest Expense			
	Interest to Bank on Cash Credit		24,87,086	38,77,871
	Interest to Bank on Vehicle Loan		1,39,936	56,734
	Interest to Bank on Term Loan		55,341	-
	Interest on TDS & Other Taxes		13,061	21,855
	Bank Charges		6,93,660	4,69,847
	TOTAL		33,89,084	44,26,307
	Depreciation and Amortization Expense :	25		
	Depreciation		66,14,136	56,23,111
	TOTAL		66,14,136	56,23,111
	Other Expenses :	26		
	(A) Manufacturing Expense :			
	Consumption of Stores and Spare Parts			
	Opening Stock		2,33,77,127	1,86,60,315
	Add : Purchases		1,66,32,402	1,53,07,984
			4,00,09,529	3,39,68,299
	Less : Closing Stock		26,295,255	2,33,77,127
			1,37,14,274	1,05,91,172
	Freight Inward		2,16,321	1,80,368
	Power & Fuel		1,81,87,930	1,50,31,505
	Water Charges		4,52,160	2,53,371
	Repair to Machinery		36,64,825	34,38,814
	TOTAL		36,235,511	2,94,95,230
	(B) Administrative Expense :			
	Car Hire Expenses		3,10,317	3,24,000
	Festival Celebration Expenses		1,84,400	3,70,783
	Donation		400	700
	CSR Expenditure		-	8,19,500
	Subscription / Membership Fees		2,27,090	2,50,000
	Electricity Expenses		23,998	20,731
	Rates & Taxes		3,86,202	3,42,359
	General Expenses		4,14,775	2,41,991
	Garden Expenses		91,455	1,10,804
	Rent		8,51,996	7,97,838
	Insurance		4,68,631	3,72,531
	Legal Expenses		59,435	42,130
	Service Tax		1,24,546	1,92,926
	News Paper & Periodicals		57,710	47,188
	Payment to Statutory Auditor		97,128	97,711
	Postage Telephone & Courier Expenses		6,29,538	5,85,154
	Professional Charges		55,67,560	60,97,733
	Printing & Stationery		6,75,384	6,67,530
	Repair to Buildings		9,01,489	12,16,107
	Repair & Maintenance General		15,15,629	21,53,282
	Loss on sale of Assets		238	9,750

PARTICULARS	31.03.2017 Rupees	31.03.2016 Rupees
Loss on Impairment of Assets	24,130	27,545
Security Guard Expenses	16,38,124	15,89,373
Vehicle Running Expenses	1,69,503	1,67,897
Bonus issue Expenses written off	1,51,038	1,51,038
Share Transfer Expenses (Sharex)	28,166	24,272
Statutory Filing Fees	57,060	1,06,990
Directors Commission	4,76,711	2,80,357
Directors Sitting Fees	75,000	85,000
TOTAL	1,52,07,653	1,71,93,220
(C) Selling & Distribution Expenses :		
Advertisement Expenses	3,90,928	1,43,500
Freight & Cartage(Outward)	17,42,963	15,77,140
Dr./Cr. Balance W/Off	1,09,642	(3,88,169)
Sales Commission & Incentives	4,56,827	5,39,326
Turnover / Cash Discount	7,93,951	7,84,963
Sales Tax / Gvat Tax Expenses/Entry Tax / LBT	16,22,992	13,47,604
Octroi	21,371	11,762
Packing Material	19,73,609	18,53,671
Sales Promotion	55,521	1,17,522
Travelling Expenses	8,18,328	5,96,668
Travelling Expenses (Marketing)	91,934	4,159
TOTAL	80,78,066	65,88,146
GRAND TOTAL	5,95,21,230	5,32,76,596

Note No. 27

STATEMENT OF ACCOUNTING POLICIES

BASIS OF ACCOUNT

The financial statements are prepared under historical cost convention on an accrual basis in accordance with the generally accepted accounting principles in India, the accounting standards prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014.

FIXED ASSETS AND DEPRECIATION

All fixed assets are stated at their original cost of acquisition / installation which includes taxes, duties (net of CENVAT and set off availed) and other identifiable direct expenses. Depreciation for the year has been provided as per useful lives specified in Schedule II of the Companies Act, 2013. Depreciation on addition/deduction during the year is charged on pro-rata basis. Leasehold land is amortised over the period of the lease. Depreciation on Technical know how has been provided as per remaining useful life of the assets.

INVESTMENTS

Investments are stated at cost. As per information received from management these are primarily long term investments, hence diminution in value has not been considered.

INVENTORIES

a) Finished Goods

Valued at cost inclusive of taxes and duties paid/payable or market value whichever is less. Valuation is based on first in first out basis.

- 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 realisable value. In case the material is sold, the valuation is restricted to the value realized at a subsequent date. Valuation is based on actual cost of production or realized value at stage whichever is lower.
- d) Due allowance is estimated and made for defective each non moving and obsolete stock based on past experience of the Company.

5. RETIREMENT BENEFITS

- 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. 51,36,091/- (P.Y. Rs. 36,21,885/-) during the year being contingent in nature.
- b) Leave encashment is provided for at current encashable salary 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

The Company had 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 2016-17

- 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.
- 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.
- Exchange difference amounting to Rs. 12,07,658/- (P.Y. Rs.10,97,168/-) has been adjusted in the cost of corresponding raw materials/consumables, Rs.6,239/- (P.Y. Rs. 3,255/-) has been adjusted in export sales .
- Micro, Small and Medium Enterprises Development Act. 2006

As per requirement of Section 22 of Micro, Small & Medium Enterprises Development Act, 2006 following information is disclosed to the extent identifiable.

		2016-17	2015-16
a)	(i) The Principal amount remaining unpaid to any supplier at the end of accounting year.	8,08,657	37,87,278
	(ii) The interest due on above.	-	-
	Total of (i) & (ii)	8,08,657	37,87,278
b)	The amount of interest paid by the buyer in terms of Section 16 of the Act along with the amount of the payment made to suppliers beyond the appointed day during each accounting year.	-	-
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	-	-
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
d)	The amount of further interest remaining due and payable even in the succeeding years. Until such date when the interest dues above are actually paid to the small enterprise. for the purposed of disallowance of a deductible expenditure under section 23 of Act.	-	-

- Provision for taxation has been made during the year as per completed Income Tax Assessment of the Company.
- Segment Reporting .The Company has only one business segment "Tungsten and Tungsten Carbide Products" as primary segment. The secondary segment is geographical which is given as under:

a)	Sales & Services	2016-17	2015-16
	Within India	47,02,18,701	37,22,16,265
	Outside India	29,71,823	35,38,781
	TOTAL	47,31,90,524	37,57,55,046
b)	Other Income	2016-17	2015-16
	Within India	17,94,027	4,49,344
	Outside India	NIL	NIL
	Total	17,94,027	4,49,344

7. Related Party Disclosure.

		2016-17 Rupees	2015-16 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 ii) Contribution to Funds iii) Rent Paid to Mrs. D. J. Bhatia (Wife of Managing Director) for accommodation <div style="text-align: right;">Total</div>	<div style="text-align: right;">14,58,908 4,34,818 7,36,020 <hr/>26,29,746</div>	<div style="text-align: right;">12,80,511 4,23,960 7,20,000 <hr/>24,24,471</div>
	(b) Shri. C.J. Bhatia i) Salary /Perquisites ii) Contribution to Funds <div style="text-align: right;">Total</div>	<div style="text-align: right;">17,54,679 3,59,794 <hr/>2114,473</div>	<div style="text-align: right;">17,25,888 3,82,641 <hr/>2108,529</div>
	(c) Rent to Mr. C J Bhatia for Bombay Sales Office (d) Rent to Mr. C J Bhatia for Transit House at Bharuch <div style="text-align: right;">Total</div>	<div style="text-align: right;">2,75,280 1,80,000 <hr/>4,55,280</div>	<div style="text-align: right;">2,54,272 1,05,000 <hr/>3,59,272</div>
	(e) Shri. A R Master i) Salary /Perquisites ii) Contribution to Funds <div style="text-align: right;">Total</div>	<div style="text-align: right;">11,38,861 2,28,783 <hr/>13,67,644</div>	<div style="text-align: right;">10,50,754 2,36,167 <hr/>12,86,921</div>
	(f) Shri. K M Shinde i) Salary /Perquisites ii) Contribution to Funds <div style="text-align: right;">Total</div>	<div style="text-align: right;">5,69,703 97,539 <hr/>6,67,242</div>	<div style="text-align: right;">3,56,129 19,656 <hr/>3,75,785</div>
(iii)	Non Executive Directors		
	a) Sitting Fees : L M Bijlani	15,000	15,000
	C G Cholera	15,000	20,000
	D D Kanitkar	20,000	15,000
	B V Dholakia	20,000	20,000
	Gayatri Parikh	5,000	15,000
	b) Commission : L M Bijlani	95,343	56,071
	(On accrual basis) C G Cholera	95,342	56,071
	D D Kanitkar	95,342	56,072
	B V Dholakia	95,342	56,071
	Gayatri Parikh	95,342	56,072

		(Rupees)	
8.	Deferred tax components are as under :	2016-17	2015-16
i)	Depreciation	30,52,637	22,18,749
ii)	Other	(8,28,470)	(2,69,631)
	Total	22,24,168	19,49,118

9. Contingent Liabilities:

- Company's Income Tax Assessments have been completed up to the Assessment year 2015-2016. In the opinion of the management, provision made in books is sufficient to cover liabilities in respect of pending assessments.
- Company's VAT Assessments have been completed up to the Financial year 2012-13.
- Show Cause Notices/Demands for Excise/Service Tax/Income Tax claims raised by Department and contested by the Company are Rs.12.75 lacs (Rs. 12.69 lacs). The Company has paid Rs. 3.00 lacs (P.Y. Rs. 3.13 lacs) under protest. Management has taken legal opinion that the provision made in the books is sufficient to cover the liabilities.
- Gratuity payable as per revised accounting standard & actuarial valuation submitted by LIC of India amounting to Rs. 57,63,091/- (P.Y. Rs. 36,21,885/-) 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	:	2016-17 (Rs.)	2015-16 (Rs.)
	Fund value as on	:	1,56,34,738/-	1,35,48,514/-
	Net Unfunded Gratuity Liability	:	1,04,71,647/-	99,26,629/-
		:	51,63,091/-	36,21,885/-
(3)	Defined Benefit obligation plan	:		
	Opening Balance	:	99,26,629/-	88,78,103/-
	Add : Converted from old Scheme	:	-	-
	Add : Amount credited during the year	:	13,00,950/-	12,48,780/-
	Less : Amount paid during the year	:	14,69,949/-	9,22,451/-
	Add : Interest credited during the year	:	8,01,387/-	8,04,214/-
	Less : Fund Management & Mortality charges	:	87,370/-	82,017/-
	Closing Balance	:	1,04,71,647/-	99,26,629/-
(4)	Present value of defined obligation plan	:	1,48,94,966/-	1,28,85,862/-

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

Auditor's Report Signed in terms of our separate report of even date
For Maloo Bhatt & Co.
Chartered Accountants

Yash Bhatt
Partner
M. No. 117745
FR No. 1259572W

Place : Mumbai
Date : 27th May, 2017.

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 31.03.2017

SR. NO.	PARTICULARS	31.03.2017 Rupees	31.03.2016 Rupees
1	Contingent Liabilities And Commitments : (To the extent not provided for)		
(i)	Contingent Liabilities		
(a)	Claim against the company not acknowledged as debts	9,74,675	9,56,090
(b)	Guarantees / Letters of Credit	78,57,557	55,08,669
(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	NIL	20,83,543
(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	1.50	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	Payment To The Auditors As :		
	For Statutory Audit Fees	75,000	75,000
	For Taxation Matters	-	30,000
	For Management Services	-	20,000
	For Other Services	25,000	12,000
	For Reimbursement Of Expenses	22,128	22,711
	TOTAL	1,22,128	1,59,711
3	Value of Imports calculated on C.I.F basis by the Company for the Financial year in respect of :		
	Raw Materials	21,20,84,680	12,41,12,049
	Componentrs And Spare Parts	9,12,985	22,01,474
	Capital Goods	16,22,213	-
	TOTAL	21,46,19,878	12,63,13,523
4	Expenditure in Foreign Currency during the Financial year on account of :		
	Books & Periodicals	NIL	NIL
	Membership Fees	NIL	NIL
	Foreign Travelling	NIL	NIL
	Fees and Taxes	NIL	NIL
	TOTAL	NIL	NIL
5	The amount remitted during the year in Foreign currency : on account of Dividends	NIL	NIL
6	Earning In Foreign Exchange :		
	Export of Goods on FOB Basis	26,29,834	32,80,534
	Interest and Dividends	NIL	NIL
	Other Income	NIL	NIL
	TOTAL	26,29,834	32,80,534

SR. NO.	PARTICULARS	31.03.2017 Rupees	31.03.2016 Rupees
7	Break up of Consumption :		
a)	Raw Materials		
	Total Consumption	<u>26,36,50,804</u>	<u>17,77,00,084</u>
	Indigenous	4,71,03,989	3,56,03,354
	%	17.87	20.04
	Imported	21,65,11,434	14,20,96,691
	%	82.13	79.96
b)	Spare Parts And Components		
	Total Consumption	<u>1,37,14,274</u>	<u>2,33,77,127</u>
	Indigenous	1,25,32,879	2,14,86,538
	%	91.39	91.91
	Imported	11,81,395	18,90,589
	%	8.61	8.09
8	Consumption Of Raw Materials		
	Blue Tungsten Oxide	18,13,71,013	11,30,00,128
	Oxide of Metal	3,41,10,009	2,80,25,235
	Cobalt	2,34,44,222	1,99,84,928
	Tungsten Carbide Powder	38,71,800	32,21,568
	Yellow Tungsten Oxide	-	48,88,320
	Tanbc	40,36,703	43,86,032
	Tungsten Metal Powder	84,97,016	-
	Cemented Carbides	9,99,473	12,76,820
	Crushed TC Fragments	34,49,850	-
	Others	38,70,714	29,17,016
	TOTAL	<u>26,36,50,804</u>	<u>17,77,00,048</u>
9	Opening/Closing Stock of Raw Material		
	Blue Tungsten Oxide	1,29,34,656	65,64,600
	Oxide of Metal	19,50,000	-
	Cobalt	27,95,469	9,20,285
	Tungsten Carbide Powder	7,45,630	6,47,052
	Tanbc	22,09,655	39,47,332
	Others	7,47,612	19,49,631
	TOTAL	<u>2,13,83,022</u>	<u>1,40,28,900</u>
10	Turnover		
	Tungsten & Tungsten Carbide Products		
a)	Manufactured		
	i) Sintered	38,85,36,422	30,65,92,043
	ii) Intermediary Products	7,77,72,060	6,63,23,388
b)	Purchased		
	i) Resale Of Raw Material	68,82,150	28,39,615
	TOTAL	<u>47,31,90,632</u>	<u>37,57,55,046</u>
11	Opening/Closing Stock - Finished Goods		
	Tungsten & Tungsten Carbide Products		
a)	Manufactured	3,31,30,728	2,53,35,446
b)	Purchased	-	-
	TOTAL	<u>3,31,30,728</u>	<u>2,53,35,446</u>

12 Details of Specified Bank Notes (SBN) held and transacted during the period 01/11/2016 to 30/12/2016.

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	0.95	0.14	1.09
(+) Permitted receipts	-	2.31	2.31
(-) Permitted payments	-	1.45	1.45
(-) Amount deposited in banks	0.95	-	0.95
Closing cash in hand as on 30.12.2016	-	1.00	1.00

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 40th Annual General Meeting, to be held on Saturday, 23rd September, 2017 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 comprising the Balance Sheet as at 31st March, 2017, 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, 2017.		
3	To appoint a Director in place of Shri. Jagdish C Bhatia (DIN: 00250737) 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 2017.

Affix Re.1/-
Revenue
Stamp

Signature of shareholder

Signature of first proxy holder

Signature of second proxy holder

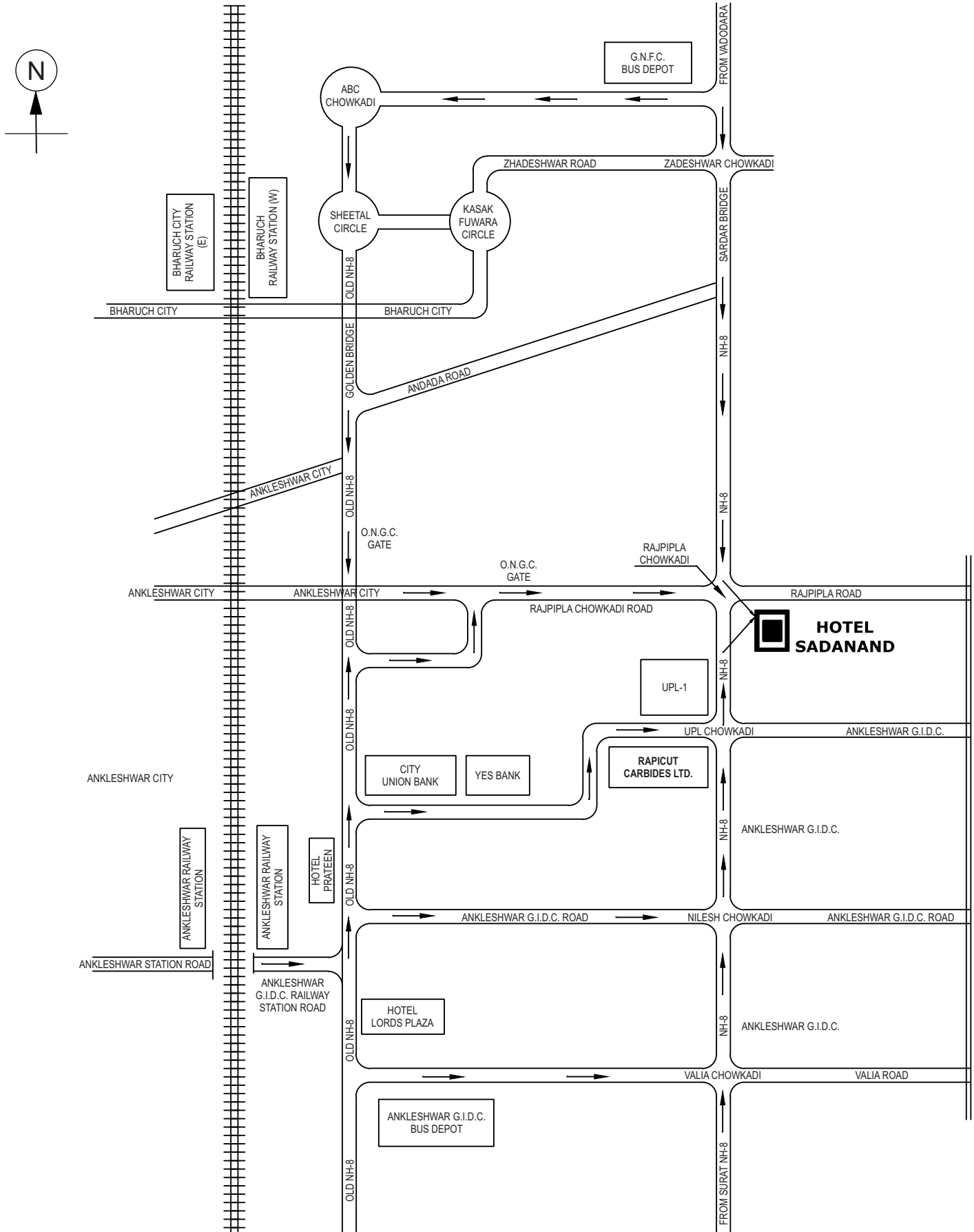
Signature of third proxy holder

- 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:

- 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.
- A proxy need not be a Member of the Company.
- 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.
- 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.
- Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.
- In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
- 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.

