



**RASI ELECTRODES LTD.,**



REF: REL/0284/2019-20  
21<sup>ST</sup> OCTOBER 2019

To  
General Manager  
Dept of Corporate Services  
The Stock Exchange, Mumbai,  
PHIROZE JEEJEEBHOY TOWERS  
DALAL STREET  
MUMBAI-400001

Dear Sir,

**Sub:: Compliance with Reg. 34 of SEBI (LODR) Regulations, 2015 – ANNUAL REPORT FOR THE YEAR ENDED 31.3.2019 APPROVED AND ADOPTED AT 25<sup>TH</sup> AGM HELD ON 26<sup>TH</sup> SEPTEMBER 2019.**

We are submitting herewith the Annual Report – 2019 for the year ended 31<sup>st</sup> March 2019 which was approved and adopted at the 25<sup>TH</sup> Annual General Meeting of the members of our Company held on 26<sup>th</sup> September 2019.

We request you to kindly take on record the above and acknowledge the receipt of this letter.

Thanking You,

Yours faithfully,  
FOR RASI ELECTRODES LIMITED

  
B POPATLAL KOTHARI  
MANAGING DIRECTOR  
DIN: 00594168

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Manufacturers & Marketers of Welding Electrodes and Consumables

Resc. Off : 21, Raja Annamalai Road, Flat No. A/14, 3rd Floor, Chennai - 84. Ph : +91-44-26424523 / 7884 Fax : +91-44-42027464 Email : info@rasielectrodes.com  
Visit us : www.rasielectrodes.com Factory : Upparapalayam Village, Alamathi Post. Redhills, Chennai - 52. Ph : +91-44-26310511, 26310512, 9381023215

CIN : L52599TN1994PLC026980, Customer Care + 91-044-26401822

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

**BOARD OF DIRECTORS**

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

**CHIEF FINANCIAL OFFICER**

Mr KASHYAP KOTHARI

**COMPANY SECRETARY**

Mrs JAGRUTI J JAIN

**AUDITORS**

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

**BANKERS**

Dena Bank  
ICICI Bank

**REGISTERED OFFICE**

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

**FACTORY**

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

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

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

To,  
The Shareholder,

NOTICE is hereby given that the 25TH Annual General Meeting of the Company will be held at 9.00 A.M. on THURSDAY, the 26th September, 2019 at **G.K.PARTY HALL, No.12/13, Sivananda Nagar, 200 Feet Road, Kolathur, CHENNAI-600099**, to transact the following business:

**ORDINARY BUSINESS :**

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

**"RESOLVED THAT** THE Audited Financial Statement of the Company for the financial year ended 31st March 2019 and the Directors' and Auditor's Report thereon, together with all the reports, statements and notes annexed thereto, be and are hereby approved and adopted."

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

**"RESOLVED THAT** Mr B RANJIT KUMAR KOTHARI (holding DIN: 01560805), the retiring Director, be and is hereby re-elected as Director of the Company, liable for retirement by rotation."

**SPECIAL BUSINESS:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149,152 and all other applicable provisions, if any, read with Schedule IV of the Companies Act, 2013, and rules made there under (including any statutory modifications or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs AASHIKA KUMARI (DIN: 08455410) who was appointed as Additional Director under the category of Independent Director by the Board of Directors effective from 30th May 2019 in terms of the provisions of section 161 of the Companies Act, 2013, and who holds office upto the date of this Annual General Meeting be and is hereby appointed as an Independent Director of the Company not liable to retirement by rotation and to hold office up to a term of 5 (five years) effective from 30th May 2019 to 29th May 2024."

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

**"RESOLVED THAT,** pursuant to section 188(1)(a) of the Companies Act, 2013 and the rules made there under, approval be and is hereby accorded for entering into contract or arrangement for supply of materials and / or for jobwork contract for wire drawing with M/s KASHYAP WIRE PRODUCTS, Upparapalayam Village, Alamathi Post, Redhills, Chennai-600052, for a period of up to five years as may be required as per the broad terms and details as furnished in the explanatory statement."

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

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

**CHENNAI**  
**DATED: 14TH AUGUST 2019**

**NOTES :**

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

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

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

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

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

06. The Register of members and Share Transfer books shall remain closed from FRIDAY, the 20TH September 2019, to THURSDAY, the 26th September 2019 (both days inclusive) for the purpose of the 25TH AGM scheduled to be held on 26th September 2019.

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

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

09. Members whose dividend has remained unpaid/unclaimed from the year 2012 onwards, are requested to write to the Company for issue of demand drafts for the same. In terms of the Investor Education and Protection Fund (IEPF) (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the required information in respect of dividend remaining unpaid/unclaimed for the last seven years (as on date of the last Annual General Meeting held on 26th September 2018) on the Company's website under the Investor Section and the same could be accessed using the following link:

<http://cmsbox.rasielectrodes.com/pdf/RASI%20UNCLAIMEDDIVIDENDASON%20AGM%20HELD%20ON%2026SEP2018.pdf>

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

10. SEBI has proposed that the equity shares of listed companies can be transferred only in dematerialised form. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.

#### 11. SERVING OF NOTICE

Electronic copy of the Notice of the 25th Annual General Meeting (25th AGM) of the company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company / RTA/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Notice of 25th AGM of the company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode. The notice of this meeting is also made available in the website of the company [www.rasielectrodes.com](http://www.rasielectrodes.com)

#### 12. VOTING THROUGH ELECTRONIC MEANS

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, the company is offering e-voting facility to its members in respect of the business to be transacted at the AGM scheduled to be held on Thursday, the September 26, 2019 at 9.00 a.m. For this purpose the company has signed an agreement with Central Depository Services (India) Ltd (CDSL) for facilitating e-voting.

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

Please read the instructions given below before exercising the vote. This communication forms an integral part of the notice dated August 14, 2019 for the Annual General Meeting.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Monday, September 23, 2019, at 10.00.A.M. and ends on Wednesday, September 25, 2019 at 5.00.P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 19, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

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

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)-</p> <p><input type="checkbox"/> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p><input type="checkbox"/> In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p><input type="checkbox"/> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company Name i.e. RASI ELECTRODES LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
  - ◆ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - ◆ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - ◆ After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - ◆ The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - ◆ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**EXPLANATORY STATEMENT ANNEXED TO THE NOTICE CONVENING THE 25<sup>TH</sup> ANNUAL GENERAL MEETING PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

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

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

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

<b>Name of the Director</b>	Mr Ranjit Kumar Kothari
<b>DIN</b>	01560805
<b>Date of Birth</b>	23/07/1965
<b>Qualification</b>	<b>Graduate</b>
<b>Expertise in specific functional areas</b>	Around 30 Years Experience in various business such as Construction, Real Estate, Trading in Spices etc
<b>List of other public Companies in which directorship held as on 31<sup>st</sup> March 2019</b>	Arun Shanti Developers Private Limited
<b>Chairman/Member of the Committees of the Boards of the other Companies in which he is a Director as on 31<sup>st</sup> March 2019</b>	Nil
<b>Shareholding as on 31<sup>st</sup> March 2019 (including holding as HUF)</b>	990000
<b>Relationship with other Directors</b>	Related to Mr B Popatlal Kothari as his brother

**ITEM 3: APPOINTMENT OF INDEPENDENT DIRECTOR**

The Board of Directors of the Company have, based on the recommendation of the Nomination & Remuneration Committee, appointed Mrs AASHIKA KUMARI (DIN: 08455410) as an Additional Director u/s 161 of the Companies Act, 2013, to function under the category of Independent Director, in the place of Mr N Prakash Kumar, Independent Director, who has vacated office on 31<sup>st</sup> March 2019, in view of his desire not to seek re-appointment for 2<sup>nd</sup> term.

As an Additional Director Mrs AASHIKA KUMARI shall be holding office only up to the ensuing 25<sup>th</sup> AGM. The Company has received a Notice in writing, along with requisite deposit, from a Member under the provisions of section 160 of the Companies Act, 2013, proposing her candidature for the office of a Director of the Company not liable for retirement by rotation and to function under the category of Independent Director.

The Nomination and Remuneration Committee have recommended that Mrs AASHIKA KUMARI be appointed as Independent Director for a period effective from 30<sup>th</sup> May 2019 to 29<sup>th</sup> May 2024. The Board, based on the recommendation of the Nomination and Remuneration Committee and on its own evaluation, considers the appointment of Mrs AASHIKA KUMARI as Independent Director would be in the interest of the Company. The Board commends her appointment as Independent Director of the Company for a period of five years from 30<sup>th</sup> May 2019 to 29<sup>th</sup> May 2024 (including the period she served as Additional Director).

Mrs AASHIKA KUMARI has represented that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as Director.

The Company has also received declaration from Mrs AASHIKA KUMARI that she meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mrs AASHIKA KUMARI fulfils the conditions for appointment as an Independent Director as specified in the Companies Act, 2013, and the Listing Regulations as she is independent of the management. She shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings.

None of the Directors / Key Managerial Personnel or their relatives other than Mrs AASHIKA KUMARI are deemed to be concerned or interested in the resolution seeking her appointment as Independent Director.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board commends the Ordinary Resolution for approval by the members.

The particulars required to be furnished under Regulation 36(3) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, relating to Independent Director seeking appointment is furnished below:

<b>Name of the Director</b>	<b>Mrs AASHIKA KUMARI</b>
<b>DIN</b>	08455410
<b>Date of Birth</b>	07.06.1991
<b>Qualification</b>	B.B.A., ACA
<b>Expertise in specific functional areas</b>	She is a Practising Chartered Accountant with around 3 years of post qualification experience. Good in analytics, Planning and Execution, Strategise things, Decision Making, Result Oriented and Quality delivery.
<b>List of other public Companies in which directorship held as on 31<sup>st</sup> March 2019</b>	Nil
<b>Chairman/Member of the Committees of the Boards of the other Companies in which he is a Director as on 31<sup>st</sup> March 2019</b>	Nil
<b>Shareholding as on 31<sup>st</sup> March 2019 (including holding as HUF)</b>	NIL
<b>Relationship with other Directors</b>	Not related to any other director or KMP

**ITEM 4: APPROVAL FOR RELATED PARTY TRANSACTION**

Your Company is in the business of manufacturing welding electrodes wherein one of the requirements of raw material is steel wires drawn from steel rods procured from steel manufacturers like Tata Steel, SAIL, JSW Steel, etc. The Company outsources the wire drawing process to various wire drawing units located in and around its factory. M/s Kashyap Wire Products, wherein the wife of the Managing Director is the proprietor, has established a new unit in close proximity to factory having wire drawing facilities. It is intended to utilize the services of Wire Drawing unit of M/s Kashyap Wire Products for the meeting part of the requirements of wire drawing by issuing work orders periodically as per the requirements of the Company based on terms and conditions as per long term contract to be executed with M/s Kashyap Wire Products in this regard. The terms and conditions and pricing will be in accordance with market price, determined on arms length basis. The company also proposes to supply materials incidental to jobwork operations and also other materials as may be required by the entity at a price not less than the market price which will also be as per the terms of the contract to be entered into by the company with M/s Kashyap Wire Products.

In view of the relationship of the proprietor, of M/s Kashyap Wire Products with the Managing Director and as a matter of abundant caution, it is proposed to seek the approval of the members for the proposed contract to be executed by the Company with M/s Kashyap Wire Products.

The details of the proposed contract is furnished below:

<b>SNo.</b>	<b>Particulars</b>	<b>Details</b>
<b>1</b>	<b>Name of the related party</b>	M/s Kashyap Wire Products (A Proprietorship entity in which Mrs Manjula Kothari, wife of Managing Director is the proprietor.)
<b>2</b>	<b>Name of the Director or Key Managerial Personnel who is related, if any.</b>	Mr B Popatlal Kothari, Managing Director/Mr Kashyap Kothari, Chief Financial Officer (related as Son of Proprietrix.)Mrs Payal Kothari, Director (related as Son's Wife of Proprietrix.)
<b>3</b>	<b>Nature of relationship</b>	The entity M/s Kashyap Wire Products with which the company proposes to enter into contract for supply of materials and / or jobwork contract for wire drawing is a Proprietorship entity in which Mrs Manjula Kothari, wife of Managing Director is the proprietor.
<b>4</b>	<b>Details of Contract or Arrangement with Related party:</b>	The contract or arrangement is for entering into a long term contract for a period of up to five years for supply of materials and / or jobwork contract for wire drawing with M/s Kashyap Wire Products.
	<b>i. Nature of Contract or Arrangement</b>	
	<b>ii. Material Terms</b>	The Company proposes to enter into a long term contract for a period of upto five years to facilitate:1.Periodical issuing of work orders for jobwork related to wire drawing. 2.Supply of materials required by the entity incidental to jobwork operations or for their other use at a price not less than the market price.
	<b>iii. Monetary Value</b>	a. The estimated amount to be paid as wire drawing charges on a jobwork basis will be around Rs. 150 lakhs per annum or less depending on production requirements. The present jobwork rates ranges from Rs.1600 to Rs.2500 per MT for various sizes of wire. b.Estimated Supply of materials shall be Rs 350 lakhs p.a. or less
	<b>iv. Particulars of contract or arrangement</b>	The long term contract for a period of upto five years shall be for :1.Periodical issuing of work orders for jobwork related to wire drawing at a jobwork price which shall not be less than market rates on arms length basis..2.Supply of materials required by the entity incidental to jobwork operations or for their other use at a price not less than the market price.The Audit Committee and the Board of Directors are to review adherence to terms of contract on a quarterly basis and accord prior approval for any escalation in price or amendment to any material terms of contract.
<b>5</b>	<b>Any other information relevant or important for the members to take a decision on the proposed resolution</b>	Nil

The above proposal for supply and / or jobwork is in the ordinary course of business carried on by the Company. There are no other conflicts of interest with the related party other than the disclosures made as above. The proposal was approved by the Audit Committee of the Board and the Board of Directors of the Company. Even though the contract shall be executed at a price not less than the market price determined on arms length basis, approval of the members is sought, as a matter of abundant caution, in view of the relationship of the Director and Key Managerial Personnel.

The Board commends the resolution for acceptance. Mr B Popatlal Kothari, Managing Director, Mrs Payal Kothari, Director and Mr Kashyap Kothari, Chief Financial Officer, are deemed to be concerned or interested in the resolution. As required under amended provisions of Regulation 23(4) of SEBI (LODR) Regulations, 2015, approval of the members by way of ordinary resolution shall be required and no related party shall vote on the resolution whether the entity is a related party to this particular transaction or not.

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

**JAGRUTI J JAIN  
COMPANY SECRETARY**

**CHENNAI  
DATED: 14<sup>th</sup> August 2019**



**DIRECTORS' REPORT**

Dear Shareholder,

Your Directors have pleasure in presenting the 25<sup>th</sup> Annual Report of your Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March 2019.

**FINANCIAL RESULTS**

The Financial Performance of your Company for the year ended 31<sup>st</sup> March 2019 is summarized below:

	<b>Year Ended 31.03.2019</b> Rs.in Lakhs	<b>Year Ended 31.03.2018</b> Rs.in Lakhs
Net sales	4743.48	3423.58
Other Income	53.72	61.84
<b>Total (A)</b>	<b>4797.20</b>	<b>3485.42</b>
<b>Total Expenditure</b>	<b>4470.32</b>	<b>3262.74</b>
<b>Profit before interest &amp; depreciation</b>	<b>326.88</b>	<b>222.68</b>
Interest & financial charges	67.96	71.15
Depreciation	81.81	67.66
<b>Profit before tax</b>	<b>177.11</b>	<b>83.87</b>
Tax expense	75.12	-0.80
Net profit / loss for the period	101.99	84.67
<b>Other Comprehensive Income (net of tax)</b>	<b>-5.18</b>	<b>-3.17</b>
Total Comprehensive Income for the period	96.81	81.50
Surplus brought forward	736.25	654.75
Balance carried to Balance sheet	<b>833.06</b>	<b>736.25</b>

**DIVIDEND AND TRANSFER TO RESERVES**

In order to conserve resources for meeting the increasing working capital requirements for the expanded business capacity of the Company, your Directors have not recommended any dividend for the year ended 31<sup>st</sup> March 2019 (previous year dividend declared Rs.nil). Your Directors have not transferred any amount to the any Reserves out of the profits made during the year.

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

Your Company is a Medium Scale industries registered under MSME category. Your Company is having manufacturing plants for the manufacture of Arc Welding Electrodes, Copper Coated Mild Steel (CCMS) Wire and Drawn wire used for the purpose of welding by the Engineering and Fabrication industries. Your Company also trades in the entire range of welding products and accessories required by diverse industries in the heavy engineering and capital goods sector. Your Company trades by importing rutile, Abrasives, Flux Core Wire and Flux on a regular basis. The demand for Company's products depends upon the robustness of demand in the engineering and capital goods industries in the Country.

**B. Performance**

During the year ended 31<sup>st</sup> March 2019 the overall turnover of the Company was Rs.4743.48 lakhs as against Rs 3423.58 lakhs achieved during the last year resulting in an increase in the turnover to the extent of 38.55% when compared with the previous year. The production of welding electrodes was 1699.156 MTs as against 1404.153 MTs achieved during the previous year. The production of CCMS Wire during the year ended 31<sup>st</sup> March 2019 was 3268.818 MTs as against 2419.564 MTs during the previous year.

During the year ended 31<sup>st</sup> March 2019 the profit before tax was Rs 177.11 lakhs (previous year Rs 83.87 lakhs) and after making a provision for tax amounting to Rs 75.12 lakhs (previous year Rs -0.80 lakhs) (including provision for deferred tax), the profit after tax was Rs 101.99 lacs (previous year Rs 84.67 lakhs). The Profit after tax has increased by 20.46% during the year ended 31<sup>st</sup> March 2019 when compared to the previous year. The Financial Statements of the Company has been prepared in accordance with the requirements of Companies (Indian Accounting Standards) Rules, 2015.

The Company continues to comply with the certification requirements of Det Norske Veritas Management System conforming to Quality Management System Standard ISO 9001:2015 for its manufacturing facility at Redhills, Chennai.

### **C.Segmentwise performance**

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

### **D.Concerns**

Your Company had a substantially improved turnover during the year ended 31<sup>st</sup> March 2019 due to overall robustness in the capital goods and infrastructure sector and other user industries. The momentum has somewhat tapered off during the current year on account of declining trend in the overall industrial production.

### **E.Prospect and Outlook**

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

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

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

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

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

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

### **CREDIT RATING**

Your Directors take pleasure in informing that your Company has been rated by CRISIL and they have assigned a 'CRISIL MSE 2' rating to your Company. This rating indicates High Credit Worthiness in relation to other MSE 's' adjudged in relation to other Micro and Small Enterprises.

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

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

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors state that:

- i. in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a 'going concern' basis;
- v. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **CORPORATE GOVERNANCE**

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

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

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

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

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

## **RISK MANAGEMENT**

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

## **INTERNAL FINANCIAL CONTROLS**

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

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of Directors of the Company is duly constituted as per the requirements of section 149 of the Companies Act, 2013, and SEBI (LODR) Regulations, 2015.

The first term of office, as approved by shareholders at their 20<sup>th</sup> AGM held on 29.09.2014, of the Independent Director Mr N Prakash Kumar has ceased on 31<sup>st</sup> March 2019. Mr N Prakash Kumar has not sought extension and hence has ceased to be an Independent Director and Director on the Board of the Company with effect from 31.3.2019. The other Independent Directors namely Mr Hitesh M Dharamshi and Mr Ajay Goyal whose 1<sup>st</sup> Term of office has also similarly ceased on 31.3.2019, shall be continuing as Independent Directors on the Board of the Company since the shareholders have approved their re-appointment as Independent Directors for 2<sup>nd</sup> Term of 5 years from 1.4.2019 to 31.3.2024 by passing a special resolution at their 24<sup>th</sup> AGM held on 26.09.2018. There were no other changes in the in the overall composition of the Board of Directors of the Company.

Your Director Mr Ranjit Kumar Kothari retires by rotation at the ensuing Annual General meeting and being eligible is offering himself for re-appointment.

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

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

A familiarisation program was conducted on 14<sup>th</sup> February 2019 for the Independent Directors wherein the roles, rights, responsibilities of the Independent Directors, the business model of the company and the industry related developments was apprised and presented to them. All the Directors attended the Familiarisation programme. The details of the familiarization program conducted for Independent Directors has also been uploaded at the website of the Company at [www.rasielectrodes.com](http://www.rasielectrodes.com) ,

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

## **EMPLOYEES STOCK OPTION SCHEME**

The Company has not formulated any Employees Stock Option scheme.

## **AUDITORS & AUDITORS REPORT**

### **Statutory Auditor**

The report of the Statutory Auditors M/s SURESHKUMAR & Co., Chartered Accountants, Chennai, is annexed to this report. The Auditors have issued an un-modified opinion on the Financial Statements audited by them for the year ended 31<sup>st</sup> March 2019.

### **Secretarial Auditor**

The Board has appointed Mr Gopikrishnan Madanagopal, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed to this report.

### **Internal Auditor**

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

## **DISCLOSURES**

### **Corporate Social Responsibility**

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

### **Audit committee**

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

### **Vigil Mechanism**

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

### **Meetings of Board**

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

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

The Company has duly complied with the requirements of Companies Act, 2013, with respect to loans given and investments made during the financial year.

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

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

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

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

### **Extract of Annual Return**

The extract of Annual Return as on 31<sup>st</sup> March 2019 in the prescribed Form MGT9 is annexed to this report.

**Particulars of Employees and related disclosures**

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

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

**Employees Stock Option Scheme**

The Company has not formulated any Employees Stock Option scheme.

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

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

**General**

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

- i. No deposits were accepted attracting the provisions of section 73 – 76 of the Companies Act, 2013.
- ii. The Company has not issued any equity shares during the year with differential rights as to dividend, voting or otherwise.
- iii. The Company has not issued any shares (including sweat equity shares) to any of its employees during the year.
- iv. The Company does not have any subsidiary, Joint venture or associate companies and as such the Managing Director / Whole time Directors receiving any remuneration from such companies does not arise.
- v. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- vi. There were no material changes and commitments affecting the financial position of the company which have occurred between 31<sup>st</sup> March 2019 and the date of this report

**ACKNOWLEDGEMENT**

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

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

**B RANJIT KUMAR KOTHARI  
CHAIRMAN  
DIN: 01560805**

**CHENNAI  
DATED: 14<sup>th</sup> August 2019**

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

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

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

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

Annexure IV: Extract of Annual return – Form MGT9.

Annexure V: Secretarial Audit Report.

Annexure VI: Independent Auditors' Report on Financial Statements.

Annexure VII: Financial Statements as on and for the year ended 31<sup>st</sup> March 2019 together with notes thereto.

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

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

**II.DETAILS OF REMUNERATION EACH DIRECTOR IN 2018-19:**

Name	Designation	% increase over previous year	Ratio to median remuneration
Mr B Popattal Kothari	Chairman & Managing Director	Nil	13.92:1
Mr B Ranjit Kumar Kothari	Director	Nil	Na
Mr Hitesh N Dharamshi	Independent Director	Nil	Na
Mr Ajay Goyal	Independent Director	Nil	Na
Mr N Prakash Kumar	Independent Director	Nil	Na
Mrs Payal Jain	Director	Nil	Na
Mr Kashyap Kothari	Chief Financial Officer	Nil	8.92:1
Mrs Jagruti Jain	Company secretary	Nil	2.01:1

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

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

As on 31.03.2019: 91

As on 31.03.2018: 91

**IV.PERCENTAGE INCREASE IN MEDIAN REMUNERATION OF EMPLOYEES IN THE FINANCIAL YEAR 2018-19: 3.98%**
**V.RELATIONSHIP BETWEEN AVERAGE INCREASE IN REMUERATION AND THE COMPANY PERFORMANCE:**

Average remuneration per employee per annum increased from 2.69 lakhs as at the end of 2017-18 to 2.85 lakhs as at the end of 2018-19 ,i.e., increased by 5.71%. Total Turnover in this period increased by 38.55%.

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

The total remuneration of Key Managerial Personnel during the year ended 31<sup>st</sup> March 2019 is Rs 53.57 lakhs as against Rs 49.09 lakhs paid during the previous year. The total payments to KMPs' increased during the year by 9.13% in absolute terms. As against this the total turnover of the Company increased from Rs 3423.58 lakhs to Rs 4743.48 lakhs resulting in an increase of 38.55% during the year.

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

As on 31<sup>st</sup> March 2019, the closing Market price per equity share of Rs 2 each is Rs 4.20 and PE Ratio is 13.55.

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

The last public offer was made during the year ended 31<sup>st</sup> March 1996 at par at Rs 10/- per Equity share. The Company issued bonus shares in the ratio of 2:5 during the year ended 31.03.2008. The closing Market Price per Equity share of Rs 2/- each (post split), of the Company as on 31<sup>st</sup> March 2019 is Rs. 4.20 (Source: BSE Ltd) resulting in a increase @ 194.00% when compared to public offer price (adjusted for bonus shares and adjusted for stock split). The Company has issued and allotted equity shares at Rs 10.80 per Rs 2/- equity shares during the year ended 31.3.2015 and 31.3.2016 compared to closing price of Rs 4.20 per Rs 2 equity shares as on 31.3.2019 resulting in decrease to the extent of 61.11%.

**IX.AVERAGE PERCENTAGE INCREASE IN SALARIES OF EMPLOYEES OTHER THAN WHOLETEIME DIRECTORS: 6.51%**
**X.KEY PARAMETERS OF ANY VARIABLE COMPONENT OF REMUNERATION AVAILED BY DIRECTORS:**

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

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

No Employee received remuneration higher than the Managing Director.

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

The remuneration paid during the year ended 31<sup>st</sup> March 2019 is as per the remuneration policy of the Company.

**Directors' Report – Annexure II:**

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

S.No.	Required Particulars	Details
<b>A.</b>	<b>Conservation of energy:</b>	
i.	The steps taken or impact on conservation of energy;	The Company regularly conducts energy conservation program at the factory to sensitize the workmen for using energy conservation practices throughout the factory. Energy Conservation measures have been adopted right from the initial Stages of manufacture to achieve the optimum energy consumption per unit of production.
ii.	The steps taken by the company for utilising alternate sources of energy;	The Company has not taken any steps to use alternate sources of energy
iii.	The capital investment on energy conservation equipments;	Nil
<b>B.</b>	<b>Technology absorption:</b>	
i.	The efforts made towards technology absorption;	The Company uses technology developed in house
ii.	The benefits derived like product improvement, cost reduction, product, development or import substitution;	The Company has developed CCMS Wire product without copper coating which was developed out of the Company's own initiative. The avoidance of copper coating has resulted in cost reduction and power saving.
iii.	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and thereasons thereof; and	The Company has not imported any technology  Not applicable Not applicable Not applicable Not applicable
iv.	The expenditure incurred on Research and Development.	Nil
<b>C.</b>	<b>Foreign exchange earnings and outgo:</b> (a) Foreign exchange Earnings; (b) Foreign exchange outgo;	Rs.21,60,945 Rs.3,99.93,549

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

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

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

We have examined the compliance of the conditions of Corporate Governance by Rasi Electrodes Limited for the year ended 31<sup>st</sup> March 2019, as stipulated in Regulations 17 to 27 of Chapter IV of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

**SURESHKUMAR B  
Proprietor  
Membership No.028376  
UDIN:19028376AAAABB5882**

Chennai  
Dated: 14<sup>th</sup> August 2019

**RASI ELECTRODES LIMITED**  
CIN: L52599TN1994PLC026980

**A REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019**  
[As required under Regulation 34(3) read along with Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure) Regulations, 2015 (hereinafter referred to as SEBI (LODR) Regulations) ]

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

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

**2. BOARD OF DIRECTORS**

i. The Board of Directors of the Company is headed by a Non-Executive, Non-Independent Chairman. The Company's Board comprises SIX Directors of whom Three are Independent Directors (50%) and Three are Non-Independent Directors (50%). The number of Non-Executive Directors is Five (83%). The composition of the Board is in conformity with Regulation 17 of SEBI (LODR) Regulations, 2015.

ii. None of the Directors on the Board is a Member of more than ten Committees or Chairman of more than 5 Committees as specified in Regulation 26 of SEBI (LODR) Regulations, 2015 across all the Companies in which he/she is a Director. Necessary disclosures regarding Directorship / Committee positions held by the Directors in other public companies as at 31<sup>st</sup> March 2019, have been made by the Directors.

iii. None of the employees of the Company, including key managerial personnel or director or promoter, have entered into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company during the financial year ended 31<sup>st</sup> March 2019 and necessary affirmation to this effect have been obtained from them and taken on record by the Board.

iv. The names and categories of Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies is given below. Other Directorships do not include alternate directorships, Directorships of private limited companies and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

Names of Directors	Promoter/ non-promoter	Relationship with other Directors	Executive/Non- executive/ Independent	No. of Board Meetings Attended	Last AGM Attended Yes/No	No. of Outside Directorship held	Member of Committee*
1. Mr Ranjit Kumar Kothari, Chairman, DIN: 01560805	Promoter	Related	Non-Executive/ Non-independent	7	Yes	1	Nil
2. Mr B Popatlal Kothari Managing Director DIN: 00594168	Promoter	Related	Executive/ Non-independent	7	Yes	1	Nil
3. Mr Hitesh M Dharamshi, Director DIN: 00207799	Non-Promoter	Not Related	Non-Executive/ Independent	6	Yes	Nil	Nil
4. Mr Ajay Goyal, Director DIN: 00513570	Non-Promoter	Not Related	Non-Executive/ Independent	6	No	Nil	Nil
5. Mr N Prakash Kumar DIN: 01735537	Non-Promoter	Not Related	Non Executive / Independent	6	No	Nil	Nil
6. Mrs Payal Jain DIN: 0007181548	Promoter	Related	Non-Executive/Non- independent	7	Yes	Nil	Nil

v. None of the above named 6 Directors are Directors on the Board of any listed entity as on 31<sup>st</sup> March 2019.

vi. During the year ended 31<sup>st</sup> March 2018, SEVEN (7) Board Meetings were held on 15<sup>th</sup> May 2018, 30<sup>th</sup> May 2018, 20<sup>th</sup> July 2018, 14<sup>th</sup> August 2018, 26<sup>th</sup> September 2018, 12<sup>th</sup> November 2018, and 14<sup>th</sup> February 2019.

vii. The Notice and Agenda for the Board Meeting is sent to each of the Director at least a week in advance. The Managing Director as the Chief Executive Officer of the Company briefs the Board at every meeting on the overall performance of the Company. The Board reviews all the mandatory matters as prescribed under Regulation 17(7) read along with Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, [hereinafter referred to as SEBI (LODR) Regulations] every quarter.



viii. The Independent Directors Mr Hitesh M Dharamshi and Mr Ajay Goyal have been re-appointed as Independent Directors by the members at their 24<sup>th</sup> AGM held on 26<sup>th</sup> September 2018 to hold office as Independent Directors for a further period of five years from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2024. The Independent Director Mr N Prakash Kumar has chosen not to seek re-election upon cessation of his term of office on 31.3.2019 and hence has ceased to be an Independent Director and Director on the Board of the Company with effect from 31.3.2019. The Board of Directors have at their meeting held on 30<sup>th</sup> May 2019, appointed Ms.AASHIKA KUMARI, [Din: 08455410], Chartered Accountant, as an Additional Director u/s 161 of the Companies Act, 2013. Ms AASHIKA KUMARI will function as an Independent Director in the place of Mr N Prakash Kumar who has vacated office as an Independent Director on 31.3.2019 and her appointment as Independent Director u/s 149 and 152 of the Companies Act, 2013, will be proposed at the ensuing 25<sup>th</sup> AGM.

ix. Mr B Popatlal Kothari is the Managing Director and Chief Executive Officer of the Company for a period of five years from 13<sup>th</sup> February 2016 to 12<sup>th</sup> February 2021. The appointment of Mr B Popatlal Kothari as Managing Director and the remuneration payable to him was approved by the members at their 22<sup>nd</sup> AGM held on 28<sup>th</sup> September 2016.

x. Mr Kashyap Kothari is the Chief Financial Officer and Mrs. Jagruti J Jain is the Company Secretary appointed u/s 203 of the Companies Act, 2013.

xi. Details of shares of the Company held by Directors and Key Managerial Personnel as on 31<sup>st</sup> March 2019 are as follows.

Name	Designation	Equity shares held
1. Mr Ranjit Kumar Kothari,	Chairman	990000
2. Mr B Popatlal Kothari	Managing Director	4962030
3. Mr Hitesh M Dharamshi	Director	Nil
4. Mr Ajay Goyal, Director	Director	8500
5. Mr N Prakash Kumar	Director	Nil
6. Payal Jain	Director	Nil
7. Mr Kashyap Kothari	Chief Financial Officer	1213065
8. Mrs Jagruti J Jain	Company Secretary	Nil

xii. As required under Regulation 17(3) of SEBI (LODR) Regulations, 2015, the Board of directors have reviewed the Compliance reports pertaining to all the laws applicable to the Company prepared by its KMPs and periodically tabled at its meetings, as well as steps taken by the Company to rectify instances of non-compliance. The Managing Director and the KMPs have certified to the Board of Directors that there were no non-compliances having material impact which was not disclosed as required under relevant laws during the year ended 31<sup>st</sup> March 2019. .

xiii. The Board of Directors have taken on record the confirmation received from all Directors, Promoters, Key Managerial Personnel and other employees that they have not entered into any agreement for themselves or on behalf of any other person with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in securities of the Company during the year ended 31<sup>st</sup> March 2019 or three years prior to that date requiring approval under regulation 26(6) of SEBI (LODR) Regulations, 2015.

xiv. The Board of Directors have taken on record the confirmation received from all Directors, Key Managerial Personnel and other Designated Employees that they or any of their connected persons have not traded or otherwise dealt in the securities of the Company which is not in compliance with the requirements of SEBI (Prevention of Insider Trading) Regulations, 2015, and that they have adhered to the Code of Conduct approved in this regard by the Board of Directors of the Company during the year ended 31<sup>st</sup> March 2019.

xv. The Company has not issued any convertible securities. None of the Directors are holding any convertible securities as on 31<sup>st</sup> March 2019.

xvi. The details of familiarization programmes imparted to independent directors could be accessed at the web link <http://cmsbox.rasielectrodes.com/pdf/files/RAS!%20FAMILIARISATIONPROG%2014022019.pdf>

xvii. The Independent Directors of the Company met once during the year on 14<sup>th</sup> February 2019 without the presence of non-independent directors and members of the management as required under Regulation 25(3) of SEBI (LODR) Regulation. The details of Directors present at the meeting is furnished below:

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

**xviii. The expertise/skills/competencies identified by the Board and available with the Directors are detailed below:**

- Indepth fabrication and engineering industries.
- Technical knowledge about welding industry and emerging technologies.
- Finance and treasury management.
- Cost reduction and cost control.
- Strategic management
- Legal and Regulatory framework.
- Liasoning skills
- Business policies
- Human resource management
- Entrepreneurship.

### 3.AUDIT COMMITTEE

i. The Company has in place an Audit Committee and its composition complies with the requirements of Regulation 18 of SEBI (LODR) Regulations, 2015 and section 177(2) of the Companies Act, 2013.

ii. The terms of reference of the Audit Committee are in line with the one prescribed under Regulations 18(3) and section 177 of the Companies Act, 2013.

iii. In its meetings, the Audit Committee considered and reviewed matters relating to operational, financial and other business areas and also reviewed the quarterly results and annual results of the Company.

iv. The previous Annual General Meeting was held on 26<sup>th</sup> September 2018 and the Chairman of the Audit Committee was present at the AGM.

v. The Audit Committee of Directors met FOUR (4) times during the year on 30<sup>th</sup> May 2018, 14<sup>th</sup> August 2018, 12<sup>th</sup> November 2018, and 14<sup>th</sup> February 2019.

vi. The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

Name	Category	No. of meetings held	No. of meetings attended
Mr Hitesh M Dharamshi	Chairman, Independent, Non-Executive	4	4
Mr Ranjit Kumar Kothari	Non-Independent, Non-Executive	4	4
Mr Ajay Goyal	Independent, Non-Executive	4	4

### 4.NOMINATION AND REMUNERATION COMMITTEE

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

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

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

iii. A meeting of the Remuneration Committee was held ONCE during the year on 4<sup>TH</sup> FEBRUARY 2019.

iv. The Company has devised Board Evaluation Framework and Policy which sets the mechanism and broad criteria for evaluation of the Board, Board committees and Directors including Independent Directors, keeping in view the size of operations, specific requirements of advice and guidance for the operations of the Company. Performance evaluation of Directors is done through self assessment and group discussions, based on suggested parameters such as attendance at meetings, participation, guidance on niche areas of specialization of individual Directors, leveraging of their unique experience for the benefit of operation of the Company, etc. Performance evaluation criteria for independent directors is disclosed at the weblink <http://rasielectrodes.com/PDF/Criteria-for-Evaluation.pdf>.

### 5.REMUNERATION POLICY & REMUNERATION

i. The Remuneration policy of the Company comprises of payment of suitable remuneration to its Executive Director as evaluated and recommended by the Remuneration Committee and approved by the Board and shareholders. The Non-Executive Directors will be paid sitting fees as approved by the Board for the meetings of the Board and Committees attended by them. The non-executive Directors are not being paid any other remuneration or commission. The Managing Director has been authorized to determine the remuneration policy and pay suitable remuneration to the employees of the Company who are not Directors on the Board of the Company.

ii. Details of the remuneration paid to Executive and Non-Executive Directors for the year ended 31<sup>st</sup> March 2019 is given below:

Name	Designation	Remuneration paid to Executive Directors including perquisites (Rs.)	Remuneration paid to Non-Executive Directors (Rs.)	Sitting fees paid to Directors (Rs.)
1.Mr Ranjit Kumar Kothari,	Chairman	Nil	Nil	70000
2.Mr B Popatlal Kothari	Managing Director	3000000	Nil	Nil
3.Mr Hitesh M Dharamshi	Director	Nil	Nil	53000
4.Mr Ajay Goyal, Director (&)	Director	Nil	Nil	59000
5.Mr N Prakash Kumar	Director	Nil	Nil	48000
6.Mrs Payal Jain	Director	Nil	Nil	35000

iii. The Company does not have any performance linked incentive payment scheme for any of its Directors or employees.

iv. The Company does not have any Employee Stock Option Scheme or Employees Stock Purchase Scheme.

## 6. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

Name	Category	No. of meetings held	No. of meetings attended
Mr B Ranjit Kumar Kothari	Chairman, Non-Executive, Non-independent	9	9
Mr B Popatlal Kothari	Executive, non-Independent	9	9
Mr Prakash Kumar	Non-Executive, Independent	9	9

ii. The Committee met NINE (9) times during the year on 30<sup>th</sup> May 2018, 6<sup>th</sup> August 2018, 12<sup>th</sup> November 2018, 29<sup>th</sup> November 2018, 14<sup>th</sup> December 2018, 8<sup>th</sup> February 2019, 8<sup>th</sup> March 2019, 18<sup>th</sup> March 2019 and 30<sup>th</sup> March 2019.

iii. The terms of reference of the Committee are to consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends besides approving the Share Transfers / Transmission, to take on record dematerialization of shares, to approve splits, consolidation of share certificates, etc.

iv. Name, Designation and address of Compliance Officer is given below:

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

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

Opening Balance as on 01.04.2018	Received during the year ended 31.03.2019	Resolved during the year ended 31.03.2019	Closing Balance as on 31.03.2019
Nil	7	7	Nil

## 7. RISK MANAGEMENT COMMITTEE

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

## 8. GENERAL BODY MEETINGS

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

AGM / EGM	LOCATION	DATE	TIME
22 <sup>nd</sup> AGM	HOTEL SRI BALAJI BHAVAN, No 242, G.N.T. Road, Redhills, Chennai-600052	28.09.2016	9.30.A.M.
23 <sup>rd</sup> AGM	HOTEL SRI BALAJI BHAVAN, No 242, G.N.T. Road, Redhills, Chennai-600052	28.09.2017	9.30.A.M.
24 <sup>th</sup> AGM	G.K.PARTY HALL, No.12/13, Sivananda Nagar, 200 Feet Road, Kolathur, CHENNAI-600099	26.09.2018	9.30.A.M.

ii. The details of Special Resolutions passed during the three years ended 31<sup>st</sup> March 2019 is furnished below:

Date of AGM /EGM	Details of Special Resolution Passed
26.09.2018 – 24 <sup>th</sup> AGM	1. RE-appointment of Mr Hitesh M Dharamshi as an Independent Director for 2 <sup>nd</sup> term of five years from 1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2024 (Special resolution) 2. RE-appointment of Mr Ajay Goyal as an Independent Director for 2 <sup>nd</sup> term of five years from 1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2024 (Special resolution)

iii. The resolutions proposed at the 24<sup>th</sup> AGM held on 26<sup>th</sup> September 2018 were passed through Electronic Voting. The Electronic voting was conducted through the CDSL portal under the Chairmanship of Mr B Ranjit Kumar Kotharim and Mr Gopikrishnan, Practicing Company Secretary was appointed and functioned as Scrutinizer. The details of resolutions passed through Electronic Voting at the 24<sup>th</sup> AGM held on 26<sup>th</sup> September 2018 and the voting pattern could be accessed at the web link:

<http://cmsbox.rasielectrodes.com/pdf/FILES/EVOTING%20CDSL%2028092018.pdf>

iv. The Company has NOT passed the any resolution through the process of Postal Ballot during the year ended 31<sup>st</sup> March 2019.

v. No resolution is proposed to be passed through postal ballot during the year ended 31<sup>st</sup> March 2020.

## 9. MEANS OF COMMUNICATION

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

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

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

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

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

## 10. GENERAL SHAREHOLDER INFORMATION

a.	25 <sup>th</sup> Annual General Meeting	
	Date	26 <sup>th</sup> September 2019 (Thursday)
	Time	9.00 A.M.
	Venue	G.K.PARTY HALL, No.12/13, Sivananda Nagar, 200 Feet Road, Kolathur, CHENNAI-600099
b.	Financial year:	1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019
c.	Dividend payment date & book closure date	The Board of Directors have not recommended any dividend for the year ended 31 <sup>st</sup> March 2019.
	Book closure date	From Friday, the 20 <sup>th</sup> September 2019 to Thursday, the 26 <sup>th</sup> September 2019 (both days inclusive) for the purpose of the 25 <sup>th</sup> AGM.
	Electronic Voting at (website)	<a href="http://www.evotingindia.com">www.evotingindia.com</a>
	Electronic Voting eligibility cut-off date	19 <sup>th</sup> September 2019
	Electronic voting commencement date	From 10.00 A.M. on Monday, the 23 <sup>rd</sup> September 2019
	Electronic voting end date	To 5.00 P.M. on Wednesday, the 25 <sup>th</sup> September 2019
d.	Listing on Stock Exchanges	BSE LIMITED [BOMBAY STOCK EXCHANGE] Phiroze Jeejeebhoy Towers, Dala Street, MUMBAI-400001 The Company has paid the Annual Listing Fees due to the stock exchange for the financial year 2018-2019
e.	Stock code/SIN No.	531233INE822D01021
f & g.	Market price data and Comparison with BSE Sensex	The details of share prices as traded on the BSE Limited is furnished below:

Month	High	Low	Close	No.of shares traded	No.of Trades	Net T/O (Rs.)
April 2018	5.83	5.00	5.30	209338	472	1122671
May 2018	5.65	4.09	5.36	327354	523	1638108
June 2018	5.90	4.14	4.29	424374	615	1967587
July 20178	4.6	3.84	4.29	224095	495	940770
August 2018	6.87	4.08	6.59	1280641	1681	7428108
September 2018	8.37	6.00	6.33	1725839	2284	12891770
October 2018	6.89	5.29	5.96	505684	977	3130970
November 2018	6.78	5.40	5.46	385584	981	2342803
December 2018	5.85	4.63	5.16	383128	829	1972666
January 2019	5.55	4.04	4.22	377108	894	1784656
February 2019	5.00	3.67	4.14	185440	472	776120
March 2019	4.90	4.04	4.20	214069	493	932569

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

h.	Trading of securities at the stock exchange	The Equity shares of the Company are actively traded at the BSE Limited and they have not been suspended from trading at any point of time during the year.
i.	Registrar & Share Transfer Agent	Cameo Corporate Services Limited, Subramanian Building 1, Club House Road, Chennai-600002 Tel: 044-28460390-91-92
j.	Share Transfer System	As on 31 <sup>st</sup> March 2019, a total of 30,318,505 equity shares of Rs 2/- each fully paid representing 97.39% of the paid-up capital of the Company are in electronic form and 811,995 equity shares of Rs 2/- each fully paid representing 2.61% of the paid-up capital of the Company are in physical form . The transfer of shares held in electronic form is done through the depositories with no involvement of the Company. The shares in the physical form are normally transferred within a period of 15 days from the date of receipt if the documents are complete in all respects.
k.	Distribution of shareholding	Furnished below:

Distribution of shareholding as on 31<sup>st</sup> March 2019 is furnished below:

Distribution Range Rs.	No.of shareholders	% of total	Value of Equity shares of Rs 2 each held (Rs.)	% of total
1 – 5000	2888	73.0584	3604312	5.7890
5001 – 10000	489	12.3703	3802696	6.1076
10001 – 20000	271	6.8555	4163668	6.6874
20001 – 30000	83	2.0996	2071064	3.3264
30001 – 40000	39	0.9865	1408540	2.2623
40001 – 50000	37	0.9359	1733588	2.7843
50001 – 100000	72	1.8214	5307010	8.5238
100001 & above	74	1.8719	40170122	64.5189
Total	3953	100.0000	62261000	100.0000

Categories of shareholders as on 31<sup>st</sup> March 2019 is furnished below:

Category	No.of shares	Percentage
Promoters holdings	8703550	27.96
Corporate Bodies	1177588	3.78
NRI	349184	1.12
Indian Public	20900178	67.14
Total	31130500	100.000

i.	Dematerialisation of shares and liquidity	The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Ltd(NSDL) and Central Depository Services Limited (CSDL). As on 31 <sup>st</sup> March 2019, a total of 30,318,505 Equity shares of Rs 2/- each fully paid representing 97.39% of the Company's share capital are held in dematerialized form. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE822D01021
m.	Outstanding GDRs/ADRs	The Company has so far not issued any GDRs/ADRs/Warrants or any convertible instruments.
n.	Commodity price risk or foreign exchange risk and hedging activities	The Company's operations are not subject to any commodity price risk other than in the normal course of business. The Company does not face any foreign exchange risks and hence has not undertaken any hedging activities.
o.	Plant locations	Welding Electrodes Manufacturing PlantUpparapalayam Village Alamathi Post, Redhills. Chennai-600052.
p.	Address for correspondence	Registered Office: 'Rams', A-14, III Floor, 21, Raja Annamalai Road, Purasawalkam, Chennai-600084 For transfer of shares , dematerialisation, change of address, etc., to: CAMEO CORPORATE SERVICES LIMITED Subramaniam Building, No.1, Club House Road, Chennai-600002.
q.	Exclusive E-Mail ID for Redressal of Investor Complaints	The Company has designated an e-mail ID exclusively for the purpose of registering complaints by investors. The e-mail ID is <a href="mailto:info@rasielectrodes.com">info@rasielectrodes.com</a> . Shareholders / Investors can send their complaints / Grievances to the above e-mail ID

## 11.DISCLOSURES

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

The disclosures relating to related party transactions is given in Note 22.4 : Other Significant Notes attached to Balance sheet . The Company's policy on dealing with related party transactions is available at the web link <http://rasielectrodes.com/PDF/Rasi-Policy-on-Related-Party-Transaction.pdf>.

ii. Details of non compliance by the company, penalties, strictures imposed on the Company by Stock exchange or SEBI or any statutory authority, on any matter related to capital market during the last three years : None

iii. The Company has established vigil mechanism and Whistle Blower Policy for directors and employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee. The details of establishment of vigil mechanism/ Whistle Blower policy could be accessed at the web link <http://rasielectrodes.com/PDF/Whistle-Blower-Policy-and-Vigil-Mechanism.pdf>.

iv. The Board of Directors of the Company have adopted a suitable Code of Conduct to be adhered to by its Directors and Senior Management Personnel. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct during the year ended 31<sup>st</sup> March 2019 and the Certificate furnished by the Managing Director in his capacity as the Chief Executive Officer of the Company is annexed to this report.

v. The Board of Directors have also laid down a comprehensive Code of Conduct for Prevention of Insider Trading applicable to its Board of Directors and Senior Management Personnel. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct during the year ended 31<sup>st</sup> March 2019.

vi. The risk assessment and minimization procedures are in existence and the Board of Directors reviews the same at their quarterly meetings.

vii. All the mandatory requirements as per SEBI (LODR) Regulations have been complied with by the Company.

viii. The Company does not have any holding, subsidiary or associate companies.

ix. The Company's operations are not subject to any commodity price risk other than in the normal course of business. The Company does not face any foreign exchange risks and hence has not undertaken any hedging activities.

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

The Company has complied with all the mandatory requirements of Corporate Governance Report. The Company Secretary has been designated as the Compliance Officer and is tasked by the Board of Directors with the responsibility of ensuring adherence to all applicable laws and regulations, including the Companies Act, 2013, read with rules framed thereunder, Listing Regulations, Secretarial Standards and other laws specifically applicable to the Company and to monitor and report compliance on a regular basis. The Certificate of Compliance issued by the Company Secretary in this regard is taken on record by the Board of Directors at their quarterly meetings.

**13. DISCLOSURE RELATING TO ADOPTION OF DISCRETIONARY REQUIREMENTS**

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

- i. No reimbursement of expenses is made to the Non-Executive Chairman in connection with maintenance of his office.
- ii. The Company does not mail the Un-Audited Half yearly Financial Results individually to its shareholders. However, these are published in the newspapers 'Trinity Mirror' and 'Makkal Kural', and are also posted on the website of the Company [www.rasielectrodes.com](http://www.rasielectrodes.com).
- iii. The Audit report for the year ended 2018-19 is an un-modified one and does not contain any qualifications.
- iv. The Company has separate post of Chairman who is a Non-Executive and Non-Independent Director and separate post of Chief Executive Officer who is the Managing Director of the Company.
- v. The Company has engaged the services of an Independent Practicing Chartered Accountant as Internal Auditor who reports to the Audit Committee.

**14. DISCLOSURE OF COMPLIANCE**

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

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

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

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

Regulation 46(2)(c): composition of various committees of board of directors:  
<http://cmsbox.rasielectrodes.com/pdf/COMPOSITION%20OF%20BOARD%20AND%20COMMITTEES.pdf>

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

Regulation 46(2)(e): details of establishment of vigil mechanism/ Whistle Blower policy:  
<http://rasielectrodes.com/PDF/Whistle-Blower-Policy-and-Vigil-Mechanism.pdf>

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

Disclosed at para 5 above of Corporate Governance Report.

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

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

Not applicable since the Company does not have any subsidiaries.

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

<http://cmsbox.rasielectrodes.com/pdf/files/RASI%20FAMILIARISATIONPROG%2014022019.pdf>

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

It is hereby confirmed that no shares are lying unclaimed in demat suspense account or unclaimed suspense account as on 31<sup>st</sup> March 2019.

#### 16. CERTIFICATIONS

##### CEO and CFO Certifications

The Managing Director and Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI (LODR) Regulations, 2015, a copy of which is attached to this report. The Managing Director and Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of SEBI (LODR) Regulations, 2015.

##### Certificate of compliance with Code of Conduct

The Managing Director has confirmed that the company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the Code of Conduct during the financial year ended 31<sup>st</sup> March 2019.

##### Certificates of compliance with conditions of Corporate Governance

Certificate from statutory auditor M/s Sureshkumar & Co., Chartered Accountants, confirming compliance with conditions of corporate governance as stipulated under Regulation 34 of the SEBI (LODR) Regulations, 2015, is attached to this report.

##### Certificates from Company Secretary in Practice

Certificate from Mr Gopikrishnan Madanagopal, Practising Company Secretary, confirming that none of the Directors on the Board of the Company as on 31<sup>st</sup> March 2019, have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other statutory authorities as stipulated under Regulation 34 of the SEBI (LODR) Regulations, 2015, is attached to this report.

for and on behalf of the Board of Directors

CHENNAI  
DATED: 14.08.2019

B.RANJIT KUMAR KOTHARI  
Chairman  
DIN: 01560805



**CEO/ CFO CERTIFICATION :**

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

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

- (a) WE have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2019 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
  - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the company pertaining to the financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design and operation for internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee
  - 1. Significant changes in internal control over financial reporting during the year;
  - 2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

B POPATLAL KOTHARI  
MANAGING DIRECTOR & CEO  
CHENNAI  
DATED: 30<sup>th</sup> May 2019

KASHYAP KOTHARI  
CHIEF FINANCIAL OFFICER

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

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

SD/-  
B POPATLAL KOTHARI  
MANAGING DIRECTOR

CHENNAI  
DATED: 30<sup>th</sup> May 2019

**CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,

**The Members of RASI ELECTRODES LIMITED**

**REGD OFFICE: FLAT A14, RAMS APARTMENTS, 21, RAJA ANNAMALAI ROAD, PURASAWALKAM, CHENNAI-600084**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **RASI ELECTRODES LIMITED** having CIN - **L52599TN1994PLC026980** and having registered office at **FLAT A14, RAMS APARTMENTS, 21, RAJA ANNAMALAI ROAD, PURASAWALKAM, CHENNAI-600084** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as on 31<sup>st</sup> March 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

SNO	NAME	DESIGNATION	DIN	Date of appointment in the company
1	Mr Ranjit Kumar Kothari,	Chairman	01560805	13-02-1995
2	Mr B Popatlal Kothari	Managing Director	00594168	08-03-1994
3	Mr Hitesh M Dharamshi	Independent Director	00207799	10-01-2004
4	Mr Ajay Goyal, Director	Independent Director	00513570	15-12-2005
5	Mr N Prakash Kumar (ceased to be an Independent Director upon cessation of 1 <sup>st</sup> term of appointment on 31.03.2019)	Independent Director	01735537	04-06-2007
6	Mrs Payal Kothari	Director	07181548	31-03-2015

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**GOPIKRISHNAN MADANAGOPAL**  
**PRACTICING COMPANY SECRETARY**  
**M.No.: FCS – 2276; C.P.: 2051**  
**CHENNAI**  
**DATED: 30.05.2019**

**Directors' Report – Annexure IV:**

**Form No. MGT- 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31st March, 2019**  
**of**  
**RASI ELECTRODES LIMITED**  
 [Pursuant to Section 92(3) of the Companies Act, 2013 And  
 Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I.REGISTRATION AND OTHER DETAILS:**

<b>i. CIN</b>	L52599TN1994PLC026980
<b>ii. Registration Date</b>	<b>8<sup>TH</sup> MARCH 1994</b>
<b>iii. Name of the Company</b>	<b>RASI ELECTRODES LIMITED</b>
<b>iv. Category / sub-category of the Company</b>	<b>Company Limited by Shares / Indian Non-Government Company</b>
<b>v. Address of the registered office and contact details</b>	<p><b><u>Registered Office:</u></b>  <b>44/4, Strotten Muthiah Street, Chennai-600079.</b></p> <p><b><u>Administrative Office:</u></b>  <b>A-14, RAMS Apartment, 3<sup>rd</sup> Floor, 21, Raja Annamalai Road, Chennai-600084.</b>  <b>Tel.No.: 044-26424523;</b>  <b>Email: <a href="mailto:info@rasielectrodes.com">info@rasielectrodes.com</a></b>  <b>Website: <a href="http://www.rasielectrodes.com">www.rasielectrodes.com</a></b></p>
<b>vi. Whether Listed Company (Yes / No)</b>	<b>Yes (Listed at BSE Ltd)</b>
<b>vii. Name, address and contact details of Registrar &amp; Transfer Agent, if any</b>	<b>Cameo Corporate Services Limited</b> <b>'Subramaniam Building', 1, Club House road,</b> <b>Chennai-600002Tel.No.:044-28460390</b>

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

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

Name & Description of the main products / services	NIC Code of the Product / Service	% of Total turnover of the Company
Welding Electrodes & CCMS Wire	8311	80.63%

**III.PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NIL**

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

**Name of the Company** : RASI ELECTRODES LIMITED - RS 2/-  
**Face Value** : 2 /-  
**Paidup Shares as on 01-Apr-2018** : 31130500  
**Paidup Shares as on 30-Mar-2019** : 31130500  
**For the Period From** : 01-Apr-2018 **To : 30-Mar-2019**

Code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>SHAREHOLDING OF PROMOTER AND PROMOTER GROUP</b>									
1.	INDIAN									
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	8447950	0	8447950	27.1372	8447950	5600	8453550	27.1552	0.1800
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	BODIES CORPORATE	250000	0	250000	0.8030	250000	0	250000	0.8030	0.0000
d.	FINANCIAL INSTITUTIONS/BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	<b>SUB - TOTAL (A)(1)</b>	<b>8697950</b>	<b>0</b>	<b>8697950</b>	<b>27.9402</b>	<b>8697950</b>	<b>5600</b>	<b>8703550</b>	<b>27.9583</b>	<b>0.1800</b>
2.	FOREIGN									
a.	INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	INSTITUTIONS	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	<b>SUB - TOTAL (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)</b>	<b>8697950</b>	<b>0</b>	<b>8697950</b>	<b>27.9402</b>	<b>8697950</b>	<b>5600</b>	<b>8703550</b>	<b>27.9583</b>	<b>0.1800</b>
<b>B.</b>	<b>PUBLIC SHAREHOLDING</b>									
1.	INSTITUTIONS									
a.	MUTUAL FUNDS/UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	FINANCIAL INSTITUTIONS/BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	CENTRAL GOVERNMENT/STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	INSURANCE COMPANIES	0	0	0	0.0000	0	0	0	0.0000	0.0000
f.	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
i.	ANY OTHER									
	<b>SUB - TOTAL (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
2.	NON-INSTITUTIONS									
a.	BODIES CORPORATE	1474117	0	1474117	4.7352	1177588	0	1177588	3.7827	-0.9525
b.	INDIVIDUALS - I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	8613942	887695	9501637	30.5219	8725764	806395	9532159	30.6200	0.0981
c.	QUALIFIED FOREIGN INVESTOR	10257554	0	10257554	32.9501	10353550	0	10353550	33.2585	0.3083
d.	ANY OTHER									
	CLEARING MEMBERS	15260	0	15260	0.0490	16465	0	16465	0.0528	0.0038
	HINDU UNDIVIDED FAMILIES	992121	0	992121	3.1869	998004	0	998004	3.2058	0.0188
	NON RESIDENT INDIANS	191861	0	191861	0.6163	349184	0	349184	1.1216	0.5053
	Retirement Benefit Scheme	1199242	0	1199242	3.8523	1363653	0	1363653	4.3804	0.5281
	<b>SUB - TOTAL (B)(2)</b>	<b>21544855</b>	<b>887695</b>	<b>22432550</b>	<b>72.0597</b>	<b>21620555</b>	<b>811995</b>	<b>22432550</b>	<b>72.0597</b>	<b>0.0000</b>
	<b>TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)</b>	<b>21544855</b>	<b>887695</b>	<b>22432550</b>	<b>72.0597</b>	<b>21620555</b>	<b>811995</b>	<b>22432550</b>	<b>72.0597</b>	<b>0.0000</b>
	<b>TOTAL (A)+(B)</b>	<b>30242805</b>	<b>887695</b>	<b>31130500</b>	<b>100.0000</b>	<b>30318505</b>	<b>811995</b>	<b>31130500</b>	<b>100.0000</b>	<b>0.0000</b>
<b>C.</b>	<b>SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED</b>									
	Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Public	0	0	0	0.0000	0	0	0	0.0000	0.0000

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

ii) Shareholding of promoters

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

Sl No	Shareholder's Name	Shareholding at the beginning of the year				Shareholding at the end of the year				% change in shareholding during the year	FOLIO/DP_CL_ID	PAN	Pledged Shares at beginning of the Year	Pledged Shares at end of the Year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	% of shares of the company	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	% of shares of the company					
1	B POPATLAL KOTHARI	4956430	15.9214	0.0000	4962030	15.9394	0.0000	0.0000	0.0000	'IN30302851933459	AAIPK7746D	0	0	
2	P NITYA KOTHARI	1061485	3.4097	0.0000	1061485	3.4097	0.0000	0.0000	0.0000	'IN30267931755448	AAHPK2428F	0	0	
3	P MANJULA KOTHARI HAVING SAME PAN	840810	2.7009	0.0000	840810	2.7009	0.0000	0.0000	0.0000	'IN30018312341922	AAIPK7745A	0	0	
3	MANJULA KOTHARI	41890	0.1345	0.0000	41890	0.1345	0.0000	0.0000	0.0000	'1204840000191301	AAIPK7745A	0	0	
4	P KASHYAP KOTHARI HAVING SAME PAN	685555	2.2021	0.0000	685555	2.2021	0.0000	0.0000	0.0000	'IN30108022506127	AAOPK0675M	0	0	
4	KASHYAP KOTHARI P	527510	1.6945	0.0000	527510	1.6945	0.0000	0.0000	0.0000	'IN30287120469915	AAOPK0675M	0	0	
5	BRK DEVELOPERS PVT .LTD.	250000	0.8030	0.0000	250000	0.8030	0.0000	0.0000	0.0000	'1204840000242100	AAHFB9968P	0	0	
6	POPATLAL KOTHARI AND SONS	218570	0.7021	0.0000	218570	0.7021	0.0000	0.0000	0.0000	'1203150000202059	AAHP2895Q	0	0	
7	RUCHI N KOTHARI	115700	0.3716	0.0000	115700	0.3716	0.0000	0.0000	0.0000	'IN30115123472352	AFIPJ0913Q	0	0	

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)**
**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**
**Name of the Company : RASI ELECTRODES LIMITED - RS 2/-**

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
1	B POPATLAL KOTHARI						
	At the beginning of the year 01-Apr-2018	4956430	15.9214	4956430	15.9214	'IN30302851933459	AAIPK7746D
At the end of the Year 30-Mar-2019	4962030	15.9394	4962030	15.9394			
2	P NITYA KOTHARI						
	At the beginning of the year 01-Apr-2018	1061485	3.4097	1061485	3.4097	'IN30267931755448	AANPK2428F
At the end of the Year 30-Mar-2019	1061485	3.4097	1061485	3.4097			
3	P MANJULA KOTHARI						
	At the beginning of the year 01-Apr-2018	840810	2.7009	840810	2.7009	'IN30018312341922	AAIPK7745A
At the end of the Year 30-Mar-2019	840810	2.7009	840810	2.7009			
3	HAVING SAME PAN MANJULA KOTHARI						
	At the beginning of the year 01-Apr-2018	41890	0.1345	41890	0.1345	'1204840000191301	AAIPK7745A
At the end of the Year 30-Mar-2019	41890	0.1345	41890	0.1345			
4	P KASHYAP KOTHARI						
	At the beginning of the year 01-Apr-2018	685555	2.2021	685555	2.2021	'IN30108022506127	AAOPK0675M
At the end of the Year 30-Mar-2019	685555	2.2021	685555	2.2021			
4	HAVING SAME PAN KASHYAP KOTHARI P						
	At the beginning of the year 01-Apr-2018	527510	1.6945	527510	1.6945	'IN30287120469915	AAOPK0675M
At the end of the Year 30-Mar-2019	527510	1.6945	527510	1.6945			
5	BPK DEVELOPERS PVT .LTD.						
	At the beginning of the year 01-Apr-2018	250000	0.8030	250000	0.8030	'1204840000242100	AAHFB9968P
At the end of the Year 30-Mar-2019	250000	0.8030	250000	0.8030			
6	POPATLAL KOTHARI AND SONS						
	At the beginning of the year 01-Apr-2018	218570	0.7021	218570	0.7021	'1203150000202059	AAAHP2895Q
At the end of the Year 30-Mar-2019	218570	0.7021	218570	0.7021			
7	RUCHI N KOTHARI						
	At the beginning of the year 01-Apr-2018	115700	0.3716	115700	0.3716	'IN30115123472352	AFIPJ0913Q
At the end of the Year 30-Mar-2019	115700	0.3716	115700	0.3716			

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)**
**(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**
**Name of the Company : RASI ELECTRODES LIMITED - RS 2/-**

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
1	CHANDRAKALA KOTHARI						
	At the beginning of the year 01-Apr-2018	992445	3.1880	992445	3.1880	'1201750000177786	AAEPC5084C
2	B RANJEET KOTHARI						
	At the end of the Year 30-Mar-2019	992445	3.1880	992445	3.1880		
3	JALPA HITESH DHARAMSHI						
	At the beginning of the year 01-Apr-2018	990000	3.1801	990000	3.1801	'1203320000092849	AAKPK6088N
4	UTTAM KUMAR KOTHARI						
	At the end of the Year 30-Mar-2019	990000	3.1801	990000	3.1801		
4	HAVING SAME PAN						
	At the beginning of the year 01-Apr-2018	616547	1.9805	616547	1.9805	'IN30154919200255	AGKPD4461A
4	UTTAM KUAMR KOTHARI						
	At the end of the Year 30-Mar-2019	616547	1.9805	616547	1.9805		
4	B UTTAM KUMAR						
	At the beginning of the year 01-Apr-2018	581400	1.8676	581400	1.8676	'1201750000177617	AAFPK4604H
4	HAVING SAME PAN						
	At the end of the Year 30-Mar-2019	581400	1.8676	581400	1.8676		
4	UTTAM KUAMR KOTHARI						
	At the beginning of the year 01-Apr-2018	69140	0.2220	69140	0.2220	'1203320000111759	AAFPK4604H
4	HAVING SAME PAN						
	At the end of the Year 30-Mar-2019	69140	0.2220	69140	0.2220		
5	PANKAJ KOTHARI T						
	At the beginning of the year 01-Apr-2018	5600	0.0179	5600	0.0179	'IN30018313064782	AAFPK4604H
5	Sale 30-Nov-2018	-5600	0.0179	0	0.0000		
	At the end of the Year 30-Mar-2019	0	0.0000	0	0.0000		
6	AADRIK DISTRIBUTORS PVT. LTD						
	At the beginning of the year 01-Apr-2018	477474	1.5337	477474	1.5337	'IN30061010490028	AITPP5447M
6	JAYANT SADASHIV BASRUR						
	At the end of the Year 30-Mar-2019	477474	1.5337	477474	1.5337		
7	JT1 : PADMINI JAYANT BASRUR						
	At the beginning of the year 01-Apr-2018	449965	1.4454	449965	1.4454	'1201750000228270	AAECA6320J
7	Sale 07-Sep-2018	-25000	0.0803	306700	0.9852		
	At the end of the Year 30-Mar-2019	296700	0.9530	296700	0.9530		
8	SRINIVAS KANAKAGIRI						
	At the beginning of the year 01-Apr-2018	306181	0.9835	306181	0.9835	'1206690000034158	ADOPK7177K
8	Sale 14-Sep-2018	-10000	0.0321	286181	0.9192		
	At the end of the Year 30-Mar-2019	286181	0.9192	286181	0.9192		
9	SUBHASH BRIJMOHAN BOHRA						
	At the beginning of the year 01-Apr-2018	300000	0.9636	300000	0.9636	'1202000000112827	AILPB9416E
10	DR RAMESH CHIMANLAL SHAH						
	At the end of the Year 30-Mar-2019	300000	0.9636	300000	0.9636		
10	NEW TOP 10 AS ON (30-Mar-2019)						
	At the beginning of the year 01-Apr-2018	246000	0.7902	246000	0.7902	'IN30051310883905	AAFPS8772A
10	Sale 21-Dec-2018	-3000	0.0096	243000	0.7805		
	At the end of the Year 30-Mar-2019	243000	0.7805	243000	0.7805		
11	SWETHA P KOTHARI						
	At the beginning of the year 01-Apr-2018	203338	0.6531	203338	0.6531	'1203970000009802	AUWPK3147Q
11	Purchase 06-Jul-2018	84564	0.2716	287902	0.9248		
	Purchase 13-Jul-2018	540	0.0017	288442	0.9265		
11	Purchase 10-Aug-2018	282	0.0009	288724	0.9274		
	Purchase 17-Aug-2018	5000	0.0160	293724	0.9435		
11	Purchase 14-Dec-2018	5000	0.0160	298724	0.9595		
	Purchase 28-Dec-2018	8000	0.0256	306724	0.9852		
11	Purchase 04-Jan-2019	2000	0.0064	308724	0.9917		
	At the end of the Year 30-Mar-2019	308724	0.9917	308724	0.9917		

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

SNO	Names of Directors / KMPs	No of shares held at the beginning of the year		Date	Change in Shareholding	Reason	No of shares held at the end of the year	
		No.of shares	% of total shares				No.of shares	% of total shares
I	DIRECTORS:							
1	RANJEET KUMAR KOTHARI Director	990000	3.1802	Nil	Nil	Na	990000	3.1802
2	B POPATLAL KOTHARI Chairman & Managing Director	4956430	15.9215	18.3.2019	5600	acquired from group company	4962030	15.9394
3	HITESH M DHARAMSHI Director	Nil	nil	Nil	Nil	Nil	Nil	nil
4	AJAY GOYAL Director	8500	0.0273	Nil	Nil	Nil	8500	0.0273
5	N PRAKASH KUMAR Director	Nil	nil	Nil	Nil	Nil	Nil	nil
6	Mrs PAYAL JAIN Director	Nil	nil	Nil	Nil	Nil	Nil	nil
II	KEY MANAGERIAL PERSONNEL (Other than Directors):							
1	KASHYAP KOTHARI, Chief Financial Officer	1213065	3.8967	Nil	Nil	Nil	1213065	3.8967
2	JAGRUTI JAIN Company Secretary	Nil	nil	Nil	Nil	Nil	Nil	nil

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

	Secured Loans Rs.	Unsecured Loans Rs.	Deposits Rs.	Total Rs.
Indebtedness at the beginning of the Financial Year:				
i.Principal Amount	5,47,00,304	0	0	5,47,00,304
ii.Interest due but not paid	0	0	0	0
iii.Interest accrued but not due	0	0	0	0
Total (i + ii + iii)	5,47,00,304	0	0	5,47,00,304
Change in Indebtedness during the financial year:				
Addition	19,02,736	0	0	19,02,736
Reduction	0	0	0	0
Net change	19,02,736	0	0	19,02,736
Indebtedness at the end of the Financial Year:				
i.Principal Amount	5,66,03,040	0	0	5,66,03,040
ii.Interest due but not paid	0	0	0	0
iii.Interest accrued but not due	0	0	0	0
Total (i + ii + iii)	5,66,03,040	0	0	5,66,03,040



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

SNo.	Particulars of remuneration	Total Remuneration paid to Managing Director Mr B Popatlal Kothari during the YE 31.3.2018
1	<b>Gross Salary:</b> (a) Salary as per provisions contained in section 17(1) of the Income Tax Act,1961 (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	<b>Rs.</b> 24,00,000 6,00,000 Nil
2.	Commission as a % of Profit Total (A) Ceiling as per Companies Act, 2013	Nil 30,00,000 The remuneration has been paid as minimum remuneration in the absence or inadequacy of profits as approved by members

**B.Remuneration to other Directors:**

S.No.	Particulars of remuneration	Name of the Independent Director			Total Amount
		Hitesh M Dharamshi	Ajay Goyal	N Prakash Kumar	
1	<b>Independent Directors:</b> (a) Fees for attending Board / Committee Meetings. (b) Commission (c) Others, please specify Total (1)	<b>Rs.</b> 53,000 Nil Nil 53,000	<b>Rs.</b> 59,000 Nil Nil 59,000	<b>Rs.</b> 48,000 Nil Nil 48,000	<b>Rs.</b> 1,60,000 Nil Nil 1,60,000
		Name of the Other Non-Executive Director			
		B Ranjeet Kothari	Payal Jain		
2	<b>Other Non-Executive Directors:</b> (a) Fees for attending Board / Committee Meetings. (b) Commission (c) Others, please specify Total (2) Total (B)=(1+2) Total Managerial Remuneration Overall ceiling as per Act.	<b>Rs.</b> 70,000 Nil Nil 70,000	<b>Rs.</b> 35,000 Nil Nil 35,000		<b>Rs.</b> 1,05,000 Nil Nil 1,05,000 2,65,000 32,65,000
		Not applicable Na NA			

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

SNo.	Particulars of remuneration	Mrs Jagruti J Jain, Company secretary	Mr Kashyap Kothari, Chief Financial Officer
1	<b>Gross Salary:</b> (a) Salary as per provisions contained in section 17(1) of the Income Tax Act,1961 (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	<b>Rs.</b> 4,34,000 Nil Nil	<b>Rs.</b> 18,48,000 Nil Nil
2.	Commission as a % of Profit Total (A) Ceiling as per Companies Act, 2013	Nil 4,34,000 Not applicable	Nil 18,48,000 Not applicable

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

 CHENNAI  
 DATED: 14.08.2019

 FOR RASI ELECTRODES LIMITED  
 B POPATLAL KOTHARI  
 MANAGING DIRECTOR

Directors' Report – Annexure V:

Form No. MR-3  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2019**  
*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

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

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

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31<sup>ST</sup> MARCH 2019 ('Audit Period')** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on **31<sup>ST</sup> MARCH 2019**, according to the provisions of:

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

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

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

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

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

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

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

4. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except in respect of matters specified below:

4.1. Regulation 31(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires 100% of the shareholding of Promoters & Promoters' group to be in dematerialised form. About 5600 Equity shares held by one shareholder constituting about 0.017% of the shareholding of Promoter & Promoter group is held in physical form as on 31.3.2019. The Company has advised the Promoter shareholder to dematerialise the shares and it was informed that the process has been initiated.

5. I further report that:

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

5.2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

6. I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded appropriately to instructions, directions, orders and notices received from statutory / regulatory authorities including by taking corrective measures wherever found necessary.

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

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

**GOPIKRISHNAN MADANAGOPAL**  
**COMPANY SECRETARY IN PRACTICE**  
**FCS 2276; COP 2051**  
**Place: Chennai**  
**Dated: 30<sup>th</sup> May 2019**

**ANNEXURE A:**

To,

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

MY Secretarial Audit Report of even date for the financial year ended 31<sup>ST</sup> MARCH 2019 is to be read along with this letter.

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

**GOPIKRISHNAN MADANAGOPAL  
COMPANY SECRETARY IN PRACTICE  
FCS 2276; COP 2051**

**Place: Chennai**

**Dated: 30<sup>th</sup> May 2019**

**INDEPENDENT AUDITORS REPORT**

To the Members of Rasi Electrodes Ltd

Report on the Standalone Ind AS Financial Statements

**Opinion**

We have audited the accompanying standalone financial statements of Rasi Electrodes Limited ("the Company"), which comprises the balance sheet as at 31st March 2019, and the statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind As") and other accounting principles generally accepted in India, of the state of affairs of the Company as on March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

**Information other than the Standalone Financial Statements and Auditor's Report thereon:**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's information, but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("The Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.

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

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

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the result of our work, and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("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, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company has disclosed the impact, wherever necessary of pending litigations on its financial position in its financial statements - refer note 26.3 to the standalone financial statements.
- ii) The Company does not have any long-term contracts requiring a provision for material foreseeable losses.
- iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Chennai  
Date: May 30, 2019

For SURESH KUMAR & Co.,  
Chartered Accountants  
(FRN-004273S)  
SURESH KUMAR B  
Proprietor  
Membership No. 028376

**ANNEXURE A TO THE INDEPENDENT AUDITORS REPORT**

The annexure referred to in our report to the members of Rasi Electrodes Ltd (the company) for the year ended 31<sup>st</sup> March, 2019. We Report that

- (i) In respect of its fixed assets:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets;
  - b. These fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
  - c. The title deeds of immovable properties are held in the name of the company.
- (ii) In respect of Inventories:
  - a. The physical verification of the Inventories has been conducted at reasonable intervals by the management.
  - b. The procedures of physical verification of Inventories followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business.
  - c. The Company has maintained proper records of Inventories and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act and hence clause (iii)(a) to (c) are not applicable to the Company.
- (iv) The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments provided by the Company. The company has not provided any guarantee or security to any company covered u/s185.
- (v) According to the information and explanation provided to us, the Company has not accepted any deposits from the public.
- (vi) On the basis of information given to us, we are of the opinion that, prima facie, the cost records and accounts prescribed by the Central Government of India, under sub –section (1) of Section 148 of the Companies Act, 2013, have been maintained. We have, however, not made a detailed examination of the same.
- (vii) a. According to the information and explanations given to us and on the basis of our examination of the books of account and records, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employee State Insurance, Income tax, Goods and Service Tax, Sales Tax, Vat, Customs Duty, Service tax, Excise Duty and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on which they became payable.  
 b. According to the information and explanation given to us, details of Statutory dues which have not been deposited as on 31<sup>st</sup> March 2019, on account of any dispute are given below:

Name of the Statute	Name of the dispute	Amount (in Rs.)	Period to which relates	Forum where the dispute is pending
Income Tax Act, 1961	Income-Tax	14,56,090/-	2011-2012	Income tax Appellate Tribunal, Chennai
Income Tax Act, 1961	Income-Tax	16,08,176/-	2012-2013	Income tax Appellate Tribunal, Chennai
Customs Act, 1962	Customs duty	84,85,596/-	2011-2013	Customs, Excise, Service Tax Appellate Tribunal, Chennai

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

For SURESH KUMAR & CO.  
Chartered Accountants  
(FRN-004273S)  
SURESH KUMAR B  
Proprietor  
Membership No. 028376

Place: Chennai  
Date: May 30, 2019

**"Annexure B" to the Independent Auditor's Report****Report on the Internal Financial Controls over Financial Reporting under Clause (f) of Sub-section 3 of Section 143 of the Companies Act 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Rasi Electrodes Ltd, ("The Company") as on 31<sup>st</sup> March, 2019 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on the date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS financial statements.

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

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Reporting Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Place: Chennai  
Date: May 30, 2019.

For SURESH KUMAR & CO.  
Chartered Accountants  
(FRN-004273S)  
SURESH KUMAR B  
Proprietor  
Membership No. 028376



**RASI ELECTRODES LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2019**

All amounts are in Rs unless otherwise stated

PARTICULARS	Note No	AS AT 31.03.2019	AS AT 31.03.2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	2	6,87,46,621	5,85,20,127
(b) Capital Work in Progress	2	0	17,670
(c) Deferred Tax Asset		13,55,709	22,87,422
<b>Total Non - Current Assets</b>		<b>7,01,02,330</b>	<b>6,08,25,219</b>
<b>Current assets</b>			
(a) Inventories	3	6,34,48,752	5,66,82,300
(b) Financial assets			
(i) Investments	4	44,09,570	47,10,410
(ii) Trade Receivables	5	10,38,91,245	9,43,72,170
(iii) Cash and cash equivalents	6	16,77,927	10,15,556
(iv) Bank balances other than (iii) above		42,87,145	87,81,327
(v) Loans	7	2,45,87,555	2,29,70,954
(C) Other Current Assets	8	3,29,17,680	4,28,15,915
(d) Deposits	9	40,84,068	23,89,614
<b>Total current assets</b>		<b>23,93,03,942</b>	<b>23,37,38,246</b>
<b>Total assets</b>		<b>30,94,06,272</b>	<b>29,45,63,465</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	10	6,22,61,000	6,22,61,000
(b) Other equity	11	16,58,15,659	15,61,35,041
(c) Share application money pending allotment			
<b>Total Equity</b>		<b>22,80,76,659</b>	<b>21,83,96,041</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Provisions	12	53,90,054	46,92,135
<b>Current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	13	5,66,03,040	54,70,03,040
(ii) Trade payables	14	1,27,81,916	93,56,626
(b) Provisions		11,27,290	28,98,087
(b) Other current liabilities	15	54,27,313	45,20,272
<b>Total Current Liabilities</b>		<b>7,59,39,559</b>	<b>7,14,75,289</b>
<b>Total Liabilities</b>		<b>8,13,29,613</b>	<b>7,61,67,424</b>
<b>Total Equity and Liabilities</b>		<b>30,94,06,272</b>	<b>29,45,63,465</b>

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

For and on behalf of the Board of Directors

**B RANJIT KOTHARI**  
Director

**B POPATLAL KOTHARI**  
Managing Director

**JAGRUTI JAIN**  
Company Secretary

**P KASHYAP KOTHARI**  
Chief financial Officer

As per our report of even date attached

For SureshKumar & Co  
Chartered Accountants  
FRN:004273S

Sureshkumar B  
Proprietor  
M. No.028376

CHENNAI

DATED: 30th MAY 2019

**RASI ELECTRODES LIMITED**  
**Statement of Profit and Loss for the year ended March 31, 2019**

All amounts are in Rs unless otherwise stated

	Note No.	Year ended 31-Mar-19	Year ended 31-Mar-18
Revenue from Operations	16	47,43,48,378	34,23,58,198
Other Income	17	53,71,896	61,83,563
<b>Total Income</b>		<b>47,97,20,274</b>	<b>34,85,41,761</b>
<b>Expenses</b>			
Cost of Raw materials and components consumed	18	34,49,62,328	22,35,70,989
Purchases of stock in trade		3,23,27,764	3,35,00,326
Changes in inventories of finished goods, work in progress & Stock in trade	19	-8,67,808	1,04,77,372
Employee benefit expense	20	3,07,02,416	2,82,10,683
Finance costs	21	67,96,459	71,14,967
Depreciation and amortisation expense	2	81,80,805	67,65,645
Other expenses	22	3,99,07,145	3,05,14,435
<b>Total expenses</b>		<b>46,20,09,109</b>	<b>34,01,54,418</b>
<b>Profit/(loss) before tax</b>		<b>1,77,11,165</b>	<b>83,87,343</b>
Tax expense			
(1) Current tax		52,37,493	28,98,087
(2) Prior Period tax		11,63,422	2,10,204
(3) Deferred tax		11,11,427	(31,87,600)
<b>Profit (Loss) for the period from continuing operations</b>		<b>1,01,98,823</b>	<b>84,66,652</b>
Profit before tax from discontinued operations		-	-
Tax expense from discontinued operations		-	-
<b>Profit after tax from discontinued operations</b>		-	-
<b>Profit/(loss) for the period</b>		<b>1,01,98,823</b>	<b>84,66,652</b>
<b>Other comprehensive income for the period</b>			
<b>Other comprehensive income</b>			
Items that will not be reclassified to Profit or Loss in subsequent periods			
- Re-measurement gains/ (losses) on defined benefit plans		6,97,919	4,27,458
- Income tax expense relating to above items			
(a) deferred tax relating to the above		(1,79,714)	(1,10,070)
<b>Other comprehensive income for the period, net of tax</b>		<b>5,18,205</b>	<b>3,17,388</b>
<b>Total comprehensive income for the period</b>		<b>96,80,618</b>	<b>81,49,264</b>
<b>Profit for the year attributable to:</b>			
Owners of the Company		1,01,98,823	84,66,652
Non controlling interests			-
		<b>1,01,98,823</b>	<b>84,66,652</b>
<b>Earnings per equity share (for continuing operation):</b>			
Basic & Diluted (in Rs.)		0.31	0.26

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

For and on behalf of the Board of Directors

**B RANJIT KOTHARI**  
Director

**B POPATLAL KOTHARI**  
Managing Director

**JAGRUTI JAIN**  
Company Secretary

**P KASHYAP KOTHARI**  
Chief financial Officer

**CHENNAI**

**DATED: 30th MAY 2019**

As per our report of even date attached

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

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

**RASI ELECTRODES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019**

	Year Ended 31.03.2019 Rs.	Year Ended 31.03.2018 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and Extra-ordinary items but including OCI	1,77,11,165	83,87,343
Adjustment for:		
Depreciation and deferred revenue expenditure	81,80,805	67,65,645
Interest paid	67,96,459	71,14,967
Dividend received	-29,198	-72,787
Interest received	-38,90,089	-46,96,602
(Profit)/Loss on sale of fixed assets	-14,829	-75,633
(Profit)/Loss on sale/Valuation of Investments	1,66,589	7,16,796
<b>Operating Profit before working capital changes</b>	<b>2,89,20,902</b>	<b>1,81,39,731</b>
Adjustment for changes in the working Capital		
Current Assets		
Inventories	-67,66,452	-46,04,654
Sundry Debtors	-95,19,075	-1,45,34,038
Loans and Advances	65,87,180	-12,19,387
Current Liabilities	25,61,533	28,49,493
<b>CASH GENERATED FROM OPERATIONS</b>	<b>2,17,84,088</b>	<b>6,31,144</b>
Less: Interest paid		
Cash Flow before extraordinary items	2,17,84,088	6,31,144
Less : Taxes paid	64,00,914	31,08,291
Less: Extra-ordinary items		
<b>NET CASH FROM OPERATING ACTIVITIES(A)</b>	<b>1,53,83,174</b>	<b>-24,77,147</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of fixed assets	-1,84,06,800	-53,04,410
Capital work in progress	0	-17,670
Dividend received	29,198	72,787
Purchase of Investments	1,34,252	29,15,337
Interest received	38,90,089	46,96,602
Sale of fixed assets	32,000	4,00,000
(Profit)/Loss on sale/Valuation of Investments	0	-7,16,796
<b>NET CASH FROM INVESTING ACTIVITIES(B)</b>	<b>-1,43,21,261</b>	<b>2045,849</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Short term borrowings	19,02,735	1,00,46,194
Interest Paid	-67,96,459	-71,14,967
<b>NET CASH USED IN FINANCING ACTIVITIES ( C )</b>	<b>-48,93,724</b>	<b>29,31,226</b>
<b>D. NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>		
A+B+C=D	-38,31,811	24,99,928
<b>CASH AND CASH EQUIVALENTS AS AT 01.04.2017</b>	<b>97,96,883</b>	<b>72,96,955</b>
Add: Net increase in Cash & Cash equivalents	-38,31,811	24,99,928
<b>CASH AND CASH EQUIVALENTS AS ON 31.03.2018</b>	<b>59,65,072</b>	<b>97,96,883</b>

For and on behalf of the Board of Directors

**B RANJIT KOTHARI**  
Director

**JAGRUTI JAIN**  
Company Secretary

CHENNAI

DATED: 30th MAY 2019

**B POPATLAL KOTHARI**  
Managing Director

**P KASHYAP KOTHARI**  
Chief financial Officer

As per our report of even date attached

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

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

**Statement of changes in equity for the year ended March 31, 2019**

All amounts are in Rs unless otherwise stated

**A. Equity Share Capital**

	Note No.	Amount
<b>As at 1st April 2017</b>	11	6,22,61,000
Changes in equity share capital		-
<b>Balance as on 31st March 2018</b>		6,22,61,000
Changes in equity share capital		-
<b>As at March 31, 2019</b>		6,22,61,000

**B. Other Equity**

	Note No.	Reserves & Surplus					Total other equity
		Securities Premium reserve	General Reserve	Investment Subsidy	Capital Reseve	Retained Earnings	
<b>Balance at April 1, 2017</b>		5,63,27,400	1,21,25,575	14,34,835	1,26,22,500	6,54,75,467	14,79,85,777
Profit for the year		-	-	-	-	84,66,652	84,66,652
Other comprehensive income		-	-	-	-	(3,17,388)	(3,17,388)
<b>Balance as on 31st March 2018</b>	11	5,63,27,400	1,21,25,575	14,34,835	1,26,22,500	7,36,24,731	15,61,35,041
Profit for the year		-	-	-	-	1,01,98,823	1,01,98,823
Other comprehensive income		-	-	-	-	(5,18,205)	(5,18,205)
<b>Balance at March 31, 2019</b>		5,63,27,400	1,21,25,575	14,34,835	1,26,22,500	8,33,05,349	16,58,15,659

For and on behalf of the Board of Directors

As per our report of even date attached

**B RANJIT KOTHARI**  
 Director

**B POPATLAL KOTHARI**  
 Managing Director

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

**JAGRUTI JAIN**  
 Company Secretary  
 CHENNAI

**P KASHYAP KOTHARI**  
 Chief financial Officer

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

DATED: 30th MAY 2019

**2 Property, plant and equipment and capital work-in-progress**

	As at 31-03-2019	As at 31-03-2018
Carrying amounts of:		
Freehold land	2,41,23,631	2,40,55,631
Building	85,41,650	72,43,199
Plant & Machinery		
Machineries	2,90,06,320	1,96,98,302
Lab Equipments	17,667	17,667
Generators	1,97,129	2,43,446
Weighing Scale	91,002	96,828
Electrical Equipments	7,55,995	9,26,147
Furniture & Fixtures		
Furniture & Fittings	6,78,661	9,95,799
Electrical typewriters	2,02,697	2,20,457
Vehicles	39,33,461	38,13,918
Office Equipments	6,67,024	9,13,994
Spaers & Tools	5,31,384	2,94,739
	<b>6,87,46,621</b>	<b>5,85,20,127</b>
Capital work-in-progress	0	<b>17,670</b>
	<b>6,87,46,621</b>	<b>5,85,37,797</b>

Description of Assets	Land - Freehold	Building	Plant & Equipment- Machinery	Plant & Equipment- Lab Equipment	Plant & Equipment- Generator	Weighing Scale	Electrical Equipments	Furniture and Fixtures	Electrical Type writers	Vehicles	Office Equipments	Spares, Tools & Accessories	TOTAL
<b>I. Cost or deemed cost</b>													
Balance as at 1 April, 2018	2,40,55,631	1,61,43,491	5,21,35,920	19,74,830	10,90,557	2,58,126	27,52,277	22,66,040	5,51,595	1,19,68,877	30,42,274	30,52,223	11,92,91,841
Additions	68,000	20,77,067	1,43,74,194	-	-	13,500	66,558	-	-	13,31,190	1,64,134	3,29,827	1,84,24,470
Disposals	-	-	-	-	-	-	-	-	-	1,58,279	-	-	1,58,279
<b>Balance as at 31 March, 2019</b>	<b>2,41,23,631</b>	<b>1,82,20,558</b>	<b>6,65,10,114</b>	<b>19,74,830</b>	<b>10,90,557</b>	<b>2,71,626</b>	<b>28,18,835</b>	<b>22,66,040</b>	<b>5,51,595</b>	<b>1,31,41,788</b>	<b>32,06,408</b>	<b>33,82,050</b>	<b>13,75,58,032</b>
<b>II. Accumulated depreciation and impairment</b>													
Balance as at 1 April, 2018	-	89,00,292	3,24,37,618	19,57,163	8,47,111	1,61,298	18,26,130	12,70,241	3,31,138	81,54,959	21,28,280	27,57,484	6,07,71,714
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-	141,108	-	-	1,41,108
Depreciation expense	-	7,78,616	50,66,176	-	46,317	19,326	2,36,710	3,17,138	17,760	11,94,476	4,11,104	93,182	81,80,805
<b>Balance as at 31 March, 2019</b>	<b>-</b>	<b>96,78,908</b>	<b>3,75,03,794</b>	<b>19,57,163</b>	<b>8,93,428</b>	<b>1,80,624</b>	<b>20,62,840</b>	<b>15,87,379</b>	<b>3,48,898</b>	<b>92,08,327</b>	<b>25,39,384</b>	<b>28,50,666</b>	<b>6,88,11,411</b>
<b>III. Carrying Amount</b>													
Balance at April 1, 2018	2,40,55,631	72,43,199	1,96,98,302	17,667	2,43,446	96,828	9,26,147	9,95,799	2,20,457	38,13,918	9,13,994	2,94,739	5,85,20,127
Additions	68,000	20,77,067	1,43,74,194	-	-	13,500	66,558	-	-	13,31,190	1,64,134	3,29,827	1,84,24,470
Disposals	-	-	-	-	-	-	-	-	0	17,171	-	-	17,171
Depreciation Expense	-	7,78,616	50,66,176	-	46,317	19,326	2,36,710	3,17,138	17,760	11,94,476	4,11,104	93,182	81,80,805
<b>Balance at March 31, 2019</b>	<b>2,41,23,631</b>	<b>85,41,650</b>	<b>2,90,06,320</b>	<b>17,667</b>	<b>1,97,129</b>	<b>91,002</b>	<b>7,55,995</b>	<b>6,78,661</b>	<b>2,02,697</b>	<b>39,33,461</b>	<b>6,67,024</b>	<b>5,31,384</b>	<b>6,87,46,621</b>

**4.1 Assets pledged as security**

3 Inventories	As at March 31, 2019	As at March 31, 2018
Raw materials	3,83,37,498	3,24,49,854
Work in Progress	3,37,400	3,26,400
Manufactured Goods	61,31,637	52,51,591
Stock-in-trade (traded goods)	1,86,42,217	1,86,54,455
<b>Total inventories at the lower of cost or NRV</b>	<b>6,34,48,752</b>	<b>5,66,82,300</b>

**4 Investments in Equity Instruments**
**Break-up of investments in equity instruments (carrying amount determined using the equity method of accounting)**
**Investments in Equity Instruments**
**Fair Value through profit & Loss A/c**

Break-up of investments in Equity Instruments

Particulars	As at March 31, 2019	As at March 31, 2018 Amounts
(a) Dena Bank	6,831	6,831
(b) High Ground Enterprises Limited	40,73,978	40,73,978
(c) Reliance Industries Limited	7,90,691	7,90,691
(d) KMC Speciality Hospitals Ltd	94,548	94,548
(e) Anantraj Industries Ltd	1,22,029	1,22,029
(f) Daawat Ltd	8,60,376	8,60,376
(g) Dhampur Sugar Mills Ltd	4,00,232	11,50,920
(h) Karur Vysya Bank Ltd	1,31,156	1,31,156
(i) Sintex Industries Ltd	66,524	66,524
(j) Suzlon Energy Limited	1,59,693	1,59,693
(k) Shilpa Medicare Ltd	1,13,826	1,13,826
(l) Jayant Agro Organics Ltd	4,86,021	4,86,021
(m) Welspun India Ltd	3,26,125	3,26,125
(n) Tamilnadu Petroproducts Ltd	55,083	55,083
(o) Nutraplus Limited	24,26,234	24,26,234
<b>Total Aggregate Quoted Investments</b>	<b>1,01,13,348</b>	<b>1,08,64,036</b>
Aggregate value of Investments	1,01,13,348	1,08,64,036
Less : Fair Valuation through profit & Loss A/c	57,03,778	61,53,626
Total Value of Investments	44,09,570	47,10,410

5 Trade Receivables	As at March 31, 2019	As at March 31, 2018
<b>Outstanding for a period exceeding 6 months from the date they are due for payment</b>		
Unsecured, considered good	1,68,58,047	1,46,51,233
<b>Other receivables</b>		
Unsecured, considered good	8,70,33,198	7,97,20,937
<b>Doubtful</b>	<b>0</b>	<b>0</b>
<b>Receivables from other related parties</b>		
Unsecured, considered good	0	0
	<b>10,38,91,245</b>	<b>9,43,72,170</b>

**6 Cash and cash equivalents**

	As at March 31, 2019	As at March 31, 2018
<b>Balances with Banks</b>		
In current accounts	9,42,363	2,04,305
On Unpaid Dividend Accounts	2,52,521	2,97,318
Current deposits with maturity greater than 3 months, less than 12 months *		
<b>Cash on hand</b>	4,83,043	5,13,933
Cash and cash equivalents as per balance sheet	<b>16,77,927</b>	<b>10,15,556</b>

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

	As at March 31, 2019	As at March 31, 2018 Current
Loan to Related party	-	-
Other Loans	2,45,87,555	2,29,70,954
	<b>2,45,87,555</b>	<b>2,29,70,954</b>

**8 Other current assets**

	As at March 31, 2019	As at March 31, 2018 Current
Office advance	1,25,000	1,25,000
Prepayments	63,750	63,750
Balance with Government authorities	69,60,836	77,29,923
Other Assets	2,57,68,093	3,48,97,242
	<b>3,29,17,680</b>	<b>4,28,15,915</b>

**9 Deposits**

	As at March 31, 2019	As at March 31, 2018 Current
Security deposit [Considered good]	40,84,068	23,89,614
	<b>40,84,068</b>	<b>23,89,614</b>

**10 Equity Share Capital**

	As at 31 March 2019	As at 31 March 2018
Equity share capital		
<u>(a) Authorised</u>		
400,00,000 Equity Shares of Rs 2 each	8,00,00,000	8,00,00,000
<u>(b) Issued, subscribed and paid-up Share Capital</u>		
311,30,500 Equity shares of Rs 2 each fully paid up	6,22,61,000	6,22,61,000
	6,22,61,000	6,22,61,000

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

	Number of shares	Share capital(Amount)
Balance at April 1, 2018	3,11,30,500	6,22,61,000
Movements	-	
<b>Balance at March 31, 2019</b>	<b>3,11,30,500</b>	<b>6,22,61,000</b>

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

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of Shares held	% holding of shares	Number of Shares held	% holding of shares
<b>Fully paid equity shares</b>				
B Popatlal Kothari	49,62,030	15.94%	49,56,430	15.92%

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

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

**11 Other equity**

	Note	As at 31-03-2019	As at 31-03-2018
Investment Subsidy		14,34,835	14,34,835
Capital Reserve		1,26,22,500	1,26,22,500
General Reserve		1,21,25,575	1,21,25,575
Share Premium A/c		5,63,27,400	5,63,27,400
Retained Earning##	11.1	8,33,05,349	7,36,24,731
		<b>16,58,15,659</b>	<b>15,61,35,041</b>

**11.1 Retained earnings**

	Year ended 31-Mar-19	Year ended 31-Mar-18
Balance at beginning of year	7,36,24,731	6,54,75,467
Profit attributable to owners of the Company	96,80,618	81,49,264
<b>Balance at end of year</b>	<b>8,33,05,349</b>	<b>7,36,24,731</b>

**12 Provisions**

	As at 31-03-2019	As at 31-03-2018
Provision for Employee Benefits	53,90,054	46,92,135
	<b>53,90,054</b>	<b>46,92,135</b>

**13 Borrowings**

	As at 31-03-2019	As at 31-03-2018
Loans repayable on demand:		
From Banks (Secured)	3,39,45,006	5,34,08,768
From Banks (UnSecured)	2,06,46,808	0
From others	20,11,226	12,91,536
	<b>5,66,03,040</b>	<b>5,47,00,304</b>

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



**14 Trade Payables**

	As at March 31, 2019	As at March 31, 2018
Creditors for supply and services	1,27,81,916	93,56,626
<b>Total</b>	<b>1,27,81,916</b>	<b>93,56,626</b>

**15 Other Liabilities**

	As at March 31, 2019	As at March 31, 2018
(A) Unclaimed Dividend	2,52,521	2,97,318
(B) Loans and Advances - Goods & Service Tax Others	10,12,039	-
(C) Accrued Expenses	13,59,431	9,86,153
(C) Accrued Expenses	28,03,322	32,36,802
<b>Total</b>	<b>54,27,313</b>	<b>45,20,272</b>

**16 Revenue**

	Year ended March 31, 2019	Year ended March 31, 2018
Total Revenue from Sales	47,43,48,378	34,23,58,198
	<b>47,43,48,378</b>	<b>34,23,58,198</b>

**17 Other Income**

	Year ended March 31, 2019	Year ended March 31, 2018
<b>a) Interest income</b>		
Bank deposits	4,01,536	5,19,503
Others	34,88,553	41,77,099
	38,90,089	46,96,602
<b>b) Other non-operating income</b>		
Dividend Income	29,198	72,787
Rebates & Discounts	14,88,713	16,13,058
Others	1,30,485	6,62,841
	16,48,396	23,48,686
<b>c) Other gains and losses</b>		
Net gain/(loss) arising on financial assets designated at FVTPL	4,49,848	(26,24,229)
Net gain/(loss) on sale of current investments	-6,16,437	17,62,505
	-1,66,589	(8,61,724)
<b>(a+b+c)</b>	<b>53,71,896</b>	<b>61,83,563</b>

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

	Year ended March 31, 2019	Year ended March 31, 2018
<u>Cost of Raw Materials Consumed</u>		
Inventory at the Beginning of the Period	2,89,08,049	1,61,52,036
Add: Purchases during the period	33,28,76,795	22,32,57,278
Less: Inventory at the end of the Period	3,51,36,005	2,89,08,049
	<b>32,66,48,839</b>	<b>21,05,01,265</b>
<u>Cost of Packing Materials</u>		
Inventory at the Beginning of the Period	38,68,205	15,42,193
Add: Purchases during the period	1,79,84,177	1,53,95,736
Less: Inventory at the end of the Period	35,38,893	38,68,205
	<b>1,83,13,489</b>	<b>1,30,69,724</b>
Total Cost of Raw Materials & Components Consumed	<b>34,49,62,328</b>	<b>22,35,70,989</b>

**19 Cost of traded goods sold**

	Year ended March 31, 2019	Year ended March 31, 2018
Inventory at the Beginning of the Period	2,39,06,046	3,43,83,418
Less: Inventory at the end of the Period	2,47,73,854	2,39,06,046
	<b>-8,67,808</b>	<b>1,04,77,372</b>

**20 Employee benefits expense**

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	2,52,77,904	2,36,30,383
Director Remuneration	30,00,000	30,00,000
Contribution to provident and other funds	13,59,209	10,25,774
Gratuity expense	1,18,472	26,000
Staff welfare expenses	9,46,831	5,28,526
	<b>3,07,02,416</b>	<b>2,82,10,683</b>

**21 Finance costs**

	Year ended March 31, 2019	Year ended March 31, 2018
Continuing operations		
(a) Interest costs :-		
Interest on bank overdrafts	59,44,167	61,16,735
Loans (other than those from related parties)	95,868	1,20,319
Bank Charges	7,56,424	8,77,913
<b>Total interest expense for financial liabilities, not classified as at FVTPL</b>	<b>67,96,459</b>	<b>71,14,967</b>

**22 Other expenses**

	Year ended March 31, 2019	Year ended March 31, 2018
Wire drawing charges	19,40,042	6,06,340
Cooly & Cartage Expenses	1,25,152	97,728
Freight Inward	23,51,609	28,26,658
<b>Factory expenses</b>		
(a) Electrical Expenses	1,23,74,944	99,13,500
(b) Consumables	21,49,818	17,98,477
© Factory, Garden & other Maintenance Expenses	42,70,827	29,27,339
(d) Other Expenses	2,10,157	3,62,880
<b>Total Factory Expenses</b>	<b>1,90,05,746</b>	<b>1,50,02,195</b>
Advertisement	4,89,330	9,25,867
Auditors remuneration	2,16,000	1,88,000
Books & Periodicals	5,272	5,905
Commission, Brokerage&Discount	23,00,864	14,43,223
Insurance	1,84,429	2,54,999
Approval charges	4,65,217	3,91,360
General Charges	30,34,691	13,37,,99
Postage & telegram	1,19,059	52,422
Printing & stationeries	3,14,291	2,38,783
Rent, rates & taxes	14,13,856	13,66,056
Listing fees & custodial fees	2,94,506	3,57,341
Telephone expenses	1,23,699	1,65,551
Travelling expenses	3,07,959	6,33,007
Vehicle maintenance(car)	2,60,489	2,86,122
Vehicle maintenance(others)	14,69,520	13,04,461
Business promotion expenses	16,03,248	6,49,916
Professional charges	9,08,633	8,84,700
Sitting Fees	2,65,000	60,000
Software Expenses	0	32,000
Donation	56,448	16,200
Subscriptiun charges	0	1,408
Cartage, coolie and freight outwards	6,27,758	9,51,293
Electricity charges	1,17,230	1,46,080
Bad debts	19,07,097	1,44,593
Loss on Investments written off	0	1,44,928
	<b>3,99,07,145</b>	<b>3,05,14,435</b>
<b>Payments to auditors</b>		
a) For Statutory audit	40,000	36,000
b) for Tax Audit	36,000	32,000
c) VAT Audit	25,000	25,000
d) For other services [Incl. Reimbursements]	1,15,000	95,000
	<b>2,16,000</b>	<b>1,88,000</b>

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

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

**Note 23. Summary of Significant Accounting Policies****23.1 Statement of Compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

**Note 24. Basis of preparation and measurement of financial statements**

i) The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period. Historical cost is based on the fair value of the consideration given in exchange for goods and services.

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

**Note 25. Significant Accounting Policies****25.1 Property, Plant and Equipment (PPE)**

i) Property, Plant and Equipment are stated at cost of acquisition net of accumulated depreciation/ amortization and impairment losses if any, except free hold land which is carried at cost less impairment losses if any. The cost comprises purchase prices, (Including import duties and non-refundable purchase taxes after deducting discounts and rebates) borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

ii) The Company identifies the significant parts of plant and equipment separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives. The cost of replacement of significant parts is capitalized and the carrying amounts of replaced parts are de-recognized. When each major inception/ overhauling is performed, its cost is recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/ overhauling (as distinct from physical parts) is de-recognized.

iii) Other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalization criteria in accordance with IND AS 16 are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

iv) PPEs are eliminated from the financial statements on disposal or when no further benefit is expected from its use or disposal. Gains or losses arising from disposal of plant, property and equipment are measured as the difference between the net disposal proceeds and the carrying amount of such assets are recognized in the statement of profit and loss.

v) Depreciation for plant and machinery has been provided on Straight line method and for all other assets Written down value method has been followed.

vi) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

vii) Upon first- time adoption of INDAS, the company has elected to measure all its property, plant, equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to IND AS i.e., 1st April, 2016.

**25.2 Capital Work in progress**

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

**25.3 Current or Non-Current classification**

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

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

**25.4 Intangible assets**

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

**25.5 Inventories**

i) Inventories are valued at cost or net realizable value whichever is lower. Cost includes the cost incurred in bringing the inventories to their present location and condition.

ii) Raw materials, stores and spares are valued at cost or net realizable value whichever is lower. Cost includes the cost incurred in bringing the inventories to their present location and condition.

iii) For valuation of finished goods / stock-in-process, cost includes material, direct labor, overheads (other than abnormal amount of wasted materials, storage costs, selling and administrative overheads) wherever applicable.

**25.6 Revenue Recognition**

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

**25.7 Employee Benefits**

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

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

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

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

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

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

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

**25.9 Cash Flow statement**

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

**25.10 Borrowing Cost**

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

**25.11 Government Subsidy / Grant**

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

**25.12 Foreign Currency Transactions**

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

### **25.13 Earnings per Share**

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

### **25.14 Income Tax**

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

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

### **25.15 Segment Reporting**

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

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

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

### **25.17 Financial Instruments**

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

### **25.18 Financial Asset**

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

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

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

### **25.19 Financial Liability**

- i) Financial liabilities comprise of Borrowings from Banks, Trade payables, Derivative financial instruments, financial guarantee obligation and other financial liabilities.

ii) The Company measures its financial liabilities as below:

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

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

**25.20 Fair value measurement**

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

**a. Investments in Equity**

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

**b. Forward exchange contracts**

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

**c. Non-derivative financial liabilities**

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

**25.21 Significant Estimates and Judgments**

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

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

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

**(ii) Current Taxes**

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

**(iii) Contingent Liabilities**

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

**(iv) Impairment of Trade receivables**

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

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

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

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

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

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

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

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

Managing Director's Remuneration	YE 31.03.2019	YE 31.03.2018
Salary	2400000	2400000
Perquisites	600000	600000
Total	3000000	3000000
Other Directors remuneration	Nil	Nil

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

**26.2..Auditors' Remuneration:**

Auditors remuneration	YE 31.03.2019	YE 31.03.2018
Audit fees	40000	36000
Tax Audit fees	36000	32000
Certification & Consultancy fees	92500	80000
Vat Audit fees	0	25000
Reimbursement of expenses	47500	15000
TOTAL	216000	188000

26.3.. The details of contingent liability not provided for in the books of accounts as on 31<sup>st</sup> March 2019 are as follows:

Details of contingent liability	YE 31.03.2019 Amount Rs	YE 31.03.2018 Amount Rs
Letter of Credit	81,64,911	1,09,80,615
Income Tax	30,64,266	30,64,266
Custom Duty	84,85,596	84,85,596

**26.4..Related Party Transactions during the year ended 31<sup>st</sup> March 2018:**
**1. Relationships**
**a. Key Management Personnel**

Mr.B. Popatlal Kothari - Managing Director

Mr P Kashyap Kothari – Chief Financial Officer

Mrs Jagruti Jain — Company Secretary

**b. Relatives of Key Managerial Personnel:**

Mr P Nitya Kothari

Mrs Manjula Kothari P (Propx: Kashyap Wire Products)



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

Name of the related party	Amount Rs.	Nature of transaction
Mr B Popatlal Kothari	3000000	Remuneration (including perquisites)
Mr. B Popatlal Kothari	384000	Rent for Office
	405000	Rental Advance for Office Premises
Mr P Kashyap Kothari	1848000	Remuneration
P Nitya Kothari	684000	Rent for Godown
	420000	Rental Advance for Godown
Kashyap wire products	560500	Supply of materials – steel wire
Kashyap wire products	413479	Job work – wire drawing charges
Mrs Jagruti Jain	434000	Remuneration

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

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

Name of the parties	Balance as at 31.03.2019	Purpose for which the loan was proposed to be utilized as indicated by the party
H.S. Syndicate	900000	Business
J HajaFunyamin	659375	Business
Bhushan Fin Corporation	2500000	Business
Nageswari	44460	Business
Bhushan Kothari (Huf)	1000000	Business
Bherulal Rupchandji	2500000	Business
Adeswar Investment	1405280	Business
ShaRatanrajMahendrakumar	903520	Business
HeenaDoshi	1500000	Business
JamuBai	2500000	Business
Jitendra Kumar	1500000	Business
Vishal Kothari Huf	1000000	Business
Navochemi India Pvt Ltd	1200000	Business
Vishal Investment	3000000	Business
SKB Enterprises	798873	Business
M Sudhakar	456375	Business
Vijayalakshmi Enterprises	1500000	Business
Kushal Ashok Solanki	181267	Business
M Nageswari	76700	Business
Akshay Kothari	292955	Business
Sri Manikandan Enterprise	668750	Business

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

**26.8. Earnings and Expenditure in Foreign Exchange:**

SNo.	Details	FYE 31.03.2019	FYE 31.03.2018
1	CIF Value of imports: Raw materials, stores and spares Capital goods	30488432 9505117	31832240 Nil
2	Expenditure in foreign currency (Travelling)	92507	64614
3	Earnings in foreign exchange: FOB Value of Exports	2160945 Nil	Nil Nil

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

As per our report attached  
For SURESHKUMAR & Co.  
Chartered Accountants  
FRN:004273S  
SURESHKUMAR  
Proprietor.  
M. No.028376  
Place: Chennai  
Date : 30<sup>TH</sup> MAY 2019.

for and behalf of the Board of Directors

B. RANJIT KUMAR KOTHARI  
Director

B POPATLAL KOTHARI  
Managing Director

JAGRUTI JAIN  
Company Secretary

P KASHYAP KOTHARI  
Chief Financial Officer



**MGT-11 Proxy form**
*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

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

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

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

1. Name: ..... Address: .....  
 Email id: ..... Signature: ....., or failing him
2. Name: ..... Address: .....  
 Email id: ..... Signature: ....., or failing him
3. Name: ..... Address: .....  
 Email id: ..... Signature: ....., as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 25<sup>th</sup> Annual General Meeting of the Company to be held on THURSDAY, the 26<sup>th</sup> September 2019 at 9.00.A.M. at **G.K.PARTY HALL, No.12/13, Sivananda Nagar, 200 Feet Road, Kolathur, CHENNAI-600099**, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Vote (optional)*		
		For	Against	Abstain
I	<b>ORDINARY BUSINESS:</b>			
1	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March 2019 (Ordinary resolution)			
2	RE-appointment of Mr B RANJIT KUMAR KOTHARI [DIN:01560805] as a Director liable for retirement by rotation (Ordinary resolution)			
II	<b>SPECIAL BUSINESS:</b>			
3	Appointment of Mrs AASHIKA KUMARI [DIN: ] as an Independent Director for five years from 30 <sup>TH</sup> May 2019 to 29 <sup>th</sup> May 2024 (Ordinary resolution)			
4	Approval u/s 188(1)(a) of the Companies Act, 2013, for executing contract for jobwork and / or supply of materials with M/s Kashyap Wire Products, Chennai, for a period of five years (Ordinary resolution)			

Signed this..... day of..... 2019

Signature of shareholder.....

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

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



**RASI ELECTRODES LIMITED**

CIN: L52599TN1994PLC026980

Registered Office: A-14, Rams Apartment, 21, Raja Annamalai Road, Third Floor, Purasawalkam, Chennai – 600 084.

**ATTENDANCE SLIP**

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

I, hereby record my attendance at the 25<sup>th</sup> Annual General Meeting of the members of RASI ELECTRODES LIMITED to be held on THURSDAY, 26<sup>th</sup> SEPTEMBER 2019 at 9.00 A.M. at the **G.K.PARTY HALL, No.12/13, Sivananda Nagar, 200 Feet Road, Kolathur, CHENNAI-600099.**

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

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

**Route map for the venue of AGM of Rasi Electrodes Ltd to be held on Thursday 26th September 2019**

