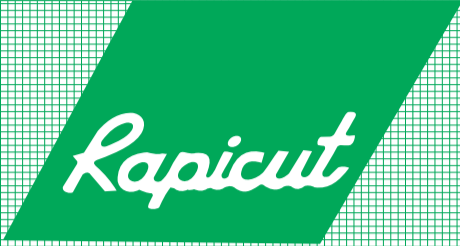


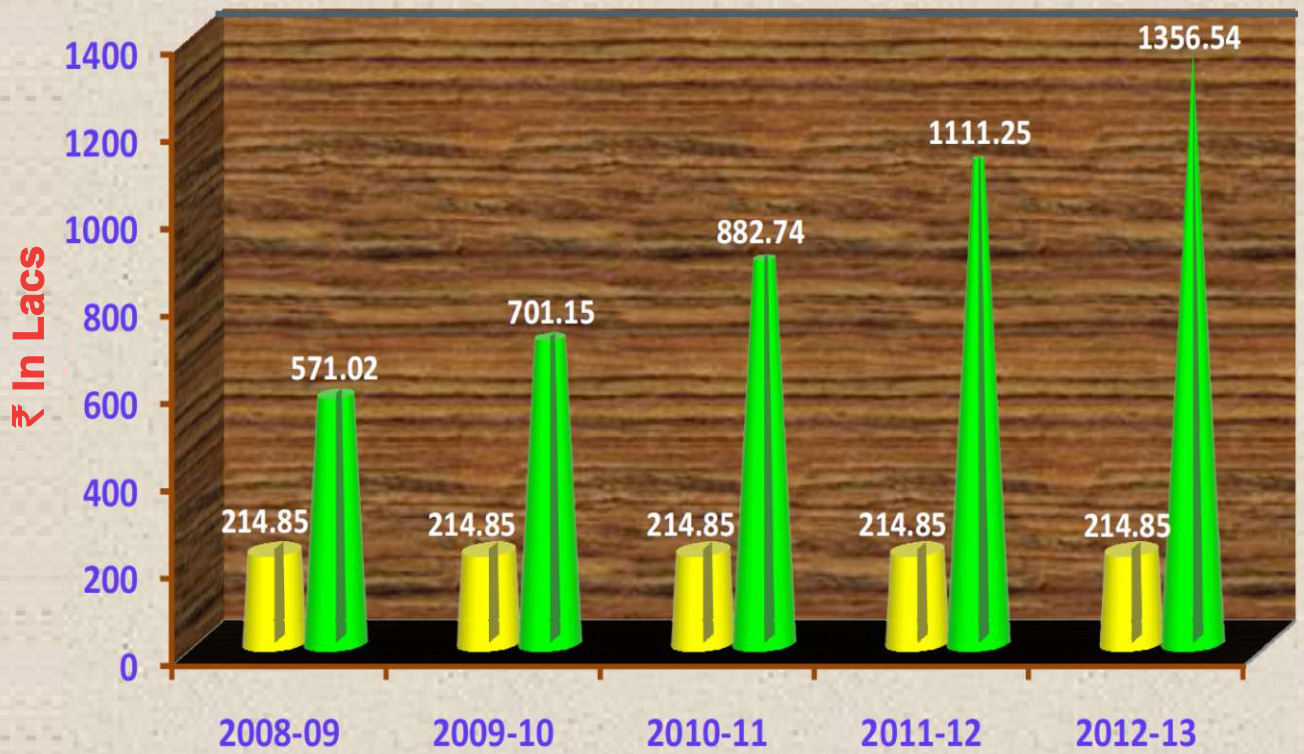
**Rapicut Carbides Limited**  
AN ISO 9001:2008 COMPANY



**36**  
**THIRTY SIXTH**  
**ANNUAL REPORT**  
**2012-13**

## Networth/Shareholder`s Fund

■ Paid Up Equity ■ Reserves & Surplus



## Dividend Payment With Distribution Tax



## BOARD OF DIRECTORS

J.C. Bhatia	Managing Director
L.M. Bijlani	Director
C.G. Cholera	Director
B.V. Dholakia	Director
D.D. Kanitkar	Director
C.J. Bhatia	Executive Director

### Management Team

A. R. Master  
Asst. Vice-President (Finance)

R. V. Krishnan  
Asst. Vice-President (Marketing)

A. C. Gandhi  
Sr. Manager (Production)

Sanjay Kumar  
Sr. Manager (Marketing)

Sr. Technical Consultant  
P. A. Kale

Technical Consultant  
D.K. Shastri

### Registrars & Share Transfer Agents

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

### Bankers

State Bank of India

### Auditors

D. N. Shukla & Company  
Chartered Accountants

### Registered Office & Works :

119, GIDC Industrial Area,  
**Ankleshwar - 393 002.**

### Area Sales Offices At :

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

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

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

UG-41, Ansal Chambers-II,  
Bhikaji Cama Place,  
**New Delhi - 110 029.**

7, Shivaji Housing Society,  
**Pune - 411 016.**

Sales Representative  
**Bangalore**

# 36th ANNUAL REPORT

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## NOTICE

Notice is hereby given that the THIRTY SIXTH ANNUAL GENERAL MEETING of the Members of RAPICUT CARBIDES LIMITED will be held on Saturday, 7th September, 2013 at 12.00 noon at Hotel Sadanand, Rajpipla Road, Ankleshwar - 393 002, Gujarat, to transact the following business :

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31-03-2013.
3. To appoint a Director in place of Shri. B.V. Dholakia, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri. D.D. Kanitkar, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint M/s. D. N. Shukla & Company, Chartered Accountants, the retiring Auditors as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

6. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution  
“RESOLVED that upon the recommendation of the Directors and in accordance with Article 82 of the Articles of Association of the Company and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“the Regulations”) and subject to such consents and approvals as may be required from the appropriate authorities and subject to such terms and modifications as may be specified while according such approvals, a sum of Rs.3,22,27,470 made up out of the General Reserve of the Company be and is hereby capitalized, and accordingly, the said sum of Rs.3,22,27,470 be and is hereby set free for distribution as Capital amongst the holders of the existing 21,48,498 Equity Shares of Rs.10/- each of the Company whose names stand on the Company’s Register of Members on such date as may be fixed by the Board of Directors in that behalf, and the said sum of Rs.3,22,27,470 so capitalized and set free for distribution be applied on behalf of the above referred Equity Shareholders of the Company in paying up in full at par 32,22,747 Equity Shares of Rs.10/- each to be allotted and distributed or credited as fully paid up Bonus Equity Shares to and amongst the above referred Equity Shareholders in the proportion of Three new Equity Shares for every Two existing Equity Shares held by them, subject to the following terms and conditions :
  - i) The new Equity Shares so distributed shall be treated for all purposes as an increase of the nominal amount of the Equity Capital of the Company held by each such Shareholder and not as income;
  - ii) The new Equity Shares to be issued and allotted as fully paid Bonus Shares shall be subject to the Memorandum and Articles of Association of the Company;
  - iii) The new Equity Shares to be issued as fully paid Bonus Shares pursuant to this Resolution shall in all respects rank pari-passu with the existing fully paid up Equity Shares of the Company save and except that the Bonus Shares shall be entitled only to such Dividends as may be declared after the allotment of the Bonus Shares in pursuance to this Resolution;
  - iv) No Letter of Allotment shall be issued in respect of the said new Equity Shares but in the case of Members who hold Equity Shares or opt to receive the Bonus Shares in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants and in the case of Members who hold Equity Shares in physical form, the share certificates in respect of the Bonus Shares shall be dispatched within such time as prescribed by law and the relevant authorities.
  - v) Allotment of Bonus Shares to the Non Resident shareholders of the Company shall be subject to the approval of the Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and regulations framed thereunder.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps to list the Bonus Shares issued on the BSE Limited.

“RESOLVED LASTLY THAT For the purpose of giving effect to this Resolution and for removal of any difficulties, the Board of Directors of the Company or any committee thereof be and is hereby authorised to do all acts, deeds, matters and things as may, in its absolute discretion, be necessary, expedient, desirable, usual or proper and to give such directions from time to time as may be deemed necessary or desirable and to settle any questions or difficulties whatsoever (including any question or difficulty in connection with any deceased or insolvent shareholder/s suffering from disability or in respect of allotment of fractional shares) that may arise with regard to the issue, allotment and distribution of the said new Equity Shares as Bonus Shares and to modify on behalf of the Company any term or condition in regard to the Bonus issue including the amount to be capitalized and/or the proportion referred to above which the Directors, in their discretion, consider necessary or expedient and their decision shall be final and binding on all members and other persons concerned.”

7. To consider, and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:

“RESOLVED that pursuant to section 16 and all other applicable provisions of the Companies Act, 1956, the existing Clause V of the Memorandum of Association of the Company, relating to the Share Capital be and is hereby altered by deleting the same and substituting in its place and stead, the following as new Clause V.”

**“Clause V :**

The Authorised Capital of the Company is Rs.8,00,00,000 (Rupees Eight Crores) divided into 80,00,000 (Eighty Lacs) Equity Shares of Rs.10/- (Rupees Ten) each with the rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being, with power to increase or reduce the Capital of the Company and to divide the Shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED that pursuant to section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered as follows :-

a) By deleting the existing Clause (a) of Article 3 and substituting in its place and stead, the following as new Clause (a) of Article 3.

**“Article 3 (a) :**

The Capital of the Company is Rs.8,00,00,000 (Rupees Eight Crores) divided into 80,00,000 (Eighty Lacs) Equity Shares of Rs.10/- (Rupees Ten) each.”

- 9) To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the reappointment of Shri. J.C. Bhatia, as Managing Director of the Company, for a period of 5 ( five ) years with effect from 1st August, 2013, on the terms and conditions including remuneration as set out in the Draft agreement submitted to this Meeting, which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board") which term shall be deemed to include any Committee of the Board constituted to exercise its powers, to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Board and Shri. J.C. Bhatia.”

Registered Office:  
Plot No.119, GIDC,  
Ankleshwar - 393002.  
Date: 27th July, 2013.

By Order of the Board of Directors

**J. C. Bhatia**  
Managing Director

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## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER. PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING. BLANK PROXY FORM IS ENCLOSED.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business to be transacted at the General Meeting is annexed hereto and forms part of this notice.
3. The Register of Members and Share Transfer Books of the Company will be closed from Friday, 9th August, 2013 to Monday, 12th August, 2013 (both days inclusive).
4. Relevant documents referred to in the Notice are open for inspection at the Registered Office of the Company between 10.00 a.m. to 12.00 noon on all days, except Saturdays, Sundays and public holidays until the date of the Annual General Meeting or any adjournment thereof.
5. The dividend as recommended by the Directors, if declared at the meeting, will be paid on or before 7th October, 2013 to those Members whose names appear on the Register of Members as on 12th August, 2013 or to their mandatees.
6. Shareholders are advised to avail of the facility for receipt of future dividends through Electronic Clearing Service (ECS). Shareholders holding shares in dematerialised mode are requested to contact their respective DP's for availing ECS facility. Shareholders holding shares in physical form are requested to collect the ECS form from the Registrar and Transfer Agents (RTA) and the same duly filled in and signed alongwith a Xerox copy of a cancelled cheque may be sent to the RTA.
7. Beneficial Owners holding shares in electronic / demat form are requested to notify any change in their address, bank account, mandate, etc. to their respective Depository Participant. Members holding shares in physical form are requested to notify any change in their address, bank account etc. to the Registrar and Share Transfer Agents, SHAREX DYNAMIC (INDIA) PVT. LTD. With a view to prevent fraudulent encashment of dividend warrants, members holding shares in physical form are advised to furnish to the Registrars the particulars of their bank account with a request to incorporate the same in the dividend warrant.
8. Pursuant to section 205-A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of payment is required to be transferred to Investor Education and Protection Fund of the Central Government and accordingly all unclaimed dividend upto and including the final dividend paid for the accounting year ended 30-06-96 have been transferred to the Investor Education and Protection Fund set up by the Government u/s 205-A of The Companies Act, 1956. Please note that as per Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the said Fund in respect of individual amounts which remain unclaimed or unpaid for a period of seven years from the date of payment and no payment shall be made in respect of such claims.
9. Members are requested to send in their queries at least a week in advance to the Secretarial Department at the Registered Office of the Company to facilitate clarifications during the meeting.
10. The Company's shares are listed on BSE Limited. The Company has paid the listing fees for the financial year 2013-14 to BSE. The Company has also paid custodial fees for the year 2013-14 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
11. Pursuant to the provisions of Section 109A of the Companies Act, 1956, members are entitled to make a nomination in respect of the shares held by them. Members desirous of making nominations are requested to submit Form No.2B (which may be obtained from the Company's Secretarial Department) duly filled in and signed by them to the Company's Registrars & Share Transfer Agents in case of shares held in Physical Form and to the Depository Participants in case of shares held in electronic form.
12. The Annual Report duly circulated to the Members of the Company, is available on the Company's Website at [www.rapicutcarbides.com](http://www.rapicutcarbides.com).
13. Members wishing to avail of service / despatch of various notices, communications and documents including Annual Reports by the Company in electronic mode are requested to write to the Company accordingly and register their e-mail IDs with the Company by intimating the same to the Registrar and Share Transfer Agents of the Company.

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## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956.

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

#### Item No.6

The Company had last issued the Bonus Shares during the year 1989–90. As a result of the Company's policy to plough back a part of its profits every year and retaining the same in reserves, the Company's reserves have increased to a healthy amount of Rs. 13,56,54,031 on 31st March, 2013.

The Directors at their meeting held on 27th July, 2013 have recommended to capitalize reserves to the extent of Rs. 3,22,27,470 for issue and allotment of Bonus Equity Shares in the proportion of Three new Bonus Equity Shares of Rs.10/- each fully paid up for every Two Equity Shares held by the members on the record date to be hereafter fixed by the Board. Consequent upon issue of Bonus Shares the paid up equity share capital of the Company would increase to Rs.5,37,12,450 consisting of 53,71,245 equity shares of Rs. 10/- each.

The new Equity Shares will rank pari-passu in all respects with the existing Equity Shares of the Company save and except that such new equity shares shall carry the right to receive dividend that may be paid/declared on or after the allotment of such Bonus Shares.

The issue of fully paid bonus shares by way of capitalization of reserves is allowed under Section 205 (3) of the Companies Act, 1956. The proposed issue of Bonus Shares also fulfills the SEBI regulations. Application will be made to the Bombay Stock Exchange for permission to listing and dealing in such Bonus Shares.

The Directors recommend the adoption of the Resolution. The Directors of the Company may be deemed to be concerned or interested in the issue of the new Equity Shares to the extent of the Shares held by them and / or their relatives.

#### Item No.7

In order to accommodate the additional shares to be issued on account of capitalization of the reserves of the Company and as may be approved by the shareholders it has become necessary to increase the Authorised Share Capital of the Company from the existing Rs.4,00,00,000 divided into 40,00,000 Equity Shares of Rs.10/- each to Rs.8,00,00,000 (Eight Crores) divided into 80,00,000 Equity Shares of Rs.10/- each. Article 5 of the Articles of Association of the Company read with section 94 of the Companies Act, 1956 authorizes such increase in the Authorized Share Capital.

It is therefore proposed to amend the Capital Clause of the Memorandum of Association of the Company in the manner set out in Item No.7 of the Notice of this Meeting.

#### Item No.8

The present Clause (a) of Article 3 of Articles of Association of the Company reads "The Capital of the Company is Rs.4,00,00,000 (Rupees Four Crores) divided into 40,00,000 (Forty Lacs) Equity Shares of Rs.10/- (Rupees Ten) each."

The proposed insertion of new Clause (a) of Article 3 in the Articles of Association of the Company will reflect the increased amount of Authorized Capital as per Item No.7 above.

#### Item No.9

The present term of Office of Shri. J.C. Bhatia, Managing Director of the Company expires on July 31st, 2013. The Board of Directors of the Company (The Board) at its meeting held on July 27th, 2013 has, subject to the approval of Members, reappointed Shri. J.C. Bhatia as Managing Director for a further period of five years with effect from 1st August, 2013. The terms & conditions including remuneration payable to Shri. J.C. Bhatia are set out in the draft of the agreement to be entered into by the Company. Shri. J.C. Bhatia is one of the Promoter Directors of the Company. His invaluable effort and contribution has helped the Company successfully tide over economic down slide in the past and put the Company on a sustained healthy growth path. Shri. J.C. Bhatia's reappointment as Managing Director will ensure that his astute leadership will take the Company forward and establish its brand equity amongst the peers.

Considering the economic slowdown, Shri J. C. Bhatia has voluntarily agreed to shoulder the responsibility of the Managing Director at the existing remuneration i.e. salary, perquisites and allowances the details whereof are as under :-

a) **BASIC SALARY**

Basic Salary of Rs. 12,00,000 (Twelve Lacs) per annum with the authority to the Board of Directors or the remuneration committee as may be constituted, to revise the basic salary not exceeding 30% of the last salary drawn.

b) **PERQUISITES & ALLOWANCES**

The perquisites and allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof together with reimbursement of expenses and / or allowances for utilization of gas, electricity, water, furnishing and repairs; medical reimbursement; leave travel concession for self and family including dependents; medical insurance, personal accident insurance and such other perquisites and / or allowances. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income-tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost. The amount of these perquisites and allowances will be restricted to an amount of Rs. 13,00,000/- (Thirteen Lacs) per annum with the authority to the Board of Directors or the remuneration committee as may be constituted, to revise the perquisites and allowances not exceeding 30% of the total value of the perquisites of the previous year.

The Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income-tax law, and gratuity payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income-tax law shall not be included for the purpose of computation of the overall ceiling of remuneration.

c) **COMMISSION**

In the event of adequate profit in the financial year and as maybe decided by the Board of Directors at the time of adoption of accounts, commission, in addition to the salary, perquisites and allowances as above, will be payable to the Managing Director not exceeding the ceiling in respect of overall remuneration as prescribed under Section 198 and 309 of the Companies Act, 1956.

d) **Other Benefits :**

- i) Contribution to Provident Fund, Superannuation Fund/Annuity Fund in accordance with the rules of the Company.
- ii) Leave : 30 days leave once in every year of service, with liberty to encash unavailed leave at the end of his tenure.
- iii) Gratuity at a rate not exceeding half a month's salary for each completed year of service.
- iv) The Managing Director will be provided with a Company maintained car with driver. If driver is not on pay roll of the Company then the reimbursement of Driver's salary to the Managing Director at actual will be made.

The provision of a telephone at the residence and one mobile for official use. The Company will bill long distance personal telephone calls.

Car for use on Company's business and telephone at residence will not be considered as perquisites.

e) **Other Material Terms :**

- i) Reimbursement of actual entertainment expenses, actual travelling and hotel expenses for the Company's business and/or allowances as per the Company's Rules shall be allowed.
- ii) No sitting fees shall be paid for attending the meeting of the Board or any Committee thereof.
- iii) The Managing Director shall not so long as he functions as such become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
- iv) The Managing Director shall not directly or indirectly engage himself in any employment or business without the previous sanction of the Board of Directors.
- v) He shall devote his substantial time and attention to the business of the Company, perform his duties truly and faithfully and comply with the directives given to him from time to time by the Board and further he shall not disclose to any person, firm or company any confidential information.

Since Shri. J. C. Bhatia has attained the age of 75 years, approval for his re-appointment is sought from the Members of the Company by way of a Special resolution as required under Schedule XIII to the Act.

The above may be treated as an abstract of the terms of overall remuneration payable to Shri. Jagdish C. Bhatia under section 302 of the Companies Act, 1956.

The Board recommends the re-appointment of Shri. Jagdish C. Bhatia as the Managing Director of the Company.

Except Shri. Jagdish C. Bhatia and Shri. Chandrashekhar alias Chander J. Bhatia, no other Director is concerned or interested in this Resolution.

Registered Office:  
Plot No.119, GIDC,  
Ankleshwar-393002.  
Date: 27th July, 2013.

By Order of the Board of Directors

**J. C. Bhatia**  
*Managing Director*

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their 36th Annual Report and Audited Accounts of the Company for the financial year ended 31st March, 2013.

### 1. FINANCIAL RESULTS

(Rs. in Lacs)

	Year ended 31-03-2013	Year ended 31-03-2012
Sales and other income	4421.88	3311.97
Less : Excise Duty	<u>486.36</u>	<u>298.76</u>
Sales and Other Income (Net)	3935.52	3013.21
Profit before depreciation and tax (including deferred tax)	596.94	485.50
Profit after depreciation and tax	358.77	304.48
Add: Profit brought forward from previous year	364.33	185.83
Less : (i) Prior period adjustment	<u>(12.93)</u>	<u>(1.07)</u>
Profit available for appropriation	<u>710.17</u>	<u>489.24</u>
Appropriations :		
Proposed Dividend	85.94	64.45
Tax on Proposed Dividend	14.60	10.46
Transfer to General Reserve	60.00	50.00
Profit carried to Balance Sheet	549.63	364.33

### 2. DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 4 (40%) per equity share for the year 2012-13 (Previous year Rs.3.00 per equity share i.e.30%), subject to the approval of shareholders. If approved, the dividend will absorb Rs.100.54 Lacs, including Dividend Distribution Tax.

### 3. TRANSFER TO RESERVES

The Company proposes to transfer Rs. 60.00 Lacs to the General Reserve. An amount of Rs. 549.63 Lacs is proposed to be retained in the profit and loss account.

### 4. OPERATING PERFORMANCE

- Operating Revenue increased by 30% in the year ended 31st March, 2013. It increased to Rs. 3,935 Lacs from Rs.3,013 Lacs in the previous year.
- Profit Before Tax was up by 24% from Rs. 449 Lacs in the previous year to Rs. 557 Lacs.

### 5. OUTLOOK

While the year 2013-14 opened with a comfortable order book, the impact of cost push caused by raw material price rise rather rapidly was immediately felt.

Signs of sluggishness in the business scenario as a result of general economic slowdown are there and the Company Management is fully alert and is putting in place a very concerted policy cum action approach to mitigate their adverse impact to the maximum extent possible.

In spite of the aforesaid volatility in the business climate generally, your Directors are confident that the Company's robust financial health aided by sound management measures will bring about satisfactory results in the current Financial Year 2013-14.

### 6. DIRECTORS

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Shri. B.V. Dholakia and Shri. D.D.Kanitkar are due to retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

### 7. FIXED DEPOSITS

Out of the total fixed deposits with the Company, all deposits due for repayment as on 31st March 2013 were, as desired by the depositors, either repaid or renewed.

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

### CONSERVATION OF ENERGY:

#### (A) Energy conservation measures undertaken :-

- i. The Company has been availing of Energy Saving benefits from the installation of energy efficient equipment / machinery, imported from China and installed in the Blanks Department.
- ii. The Company is arranging the carrying out of Energy Audit for identifying all items of Plant and Machinery with a view to draw and implement focused energy conservation programme.

#### (B) Technology absorption and upgradation :-

- i. Company continues to be engaged with experts for assistance in drawing and working on prioritized areas to work out process improvements on a continuous basis.
- ii. Upgradation of technology  
As mentioned in the previous Directors' Report exercise towards procurement of new equipment with upgraded features commensurate with higher and better technology standards is continuing.

#### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

Concerted efforts to promote exports in select areas have resulted in materializing of an export order for USD 30000 to a Middle East country in the current Financial Year 2013-14 and the Company hopes this will auger well for further exports to that and other countries in that region in future.

	(Rs. in Lacs)	
	2012-13	2011-12
Foreign Exchange earned	1.49	39.20
Foreign Exchange outgo	819.26	792.79

## 9. CORPORATE SOCIAL RESPONSIBILITY

Although it is not mandatory for Your Company to adopt and follow Government guidelines for Corporate Social Responsibility (CSR), Your Company has voluntarily chosen in the first instance, two broad areas to focus its CSR activities.

1. Continuous efforts towards energy conservation initiatives.
2. Environmental protection and to this end Your Company is already a Zero Discharge Unit fulfilling the norms set under Pollution Control law for being recognized as such.

## 10. PARTICULARS OF EMPLOYEES

In accordance with provisions of section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, the particulars of employees are not given as none of the employees has drawn remuneration in excess of the limits set therein.

## 11. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:-

- a. In the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- b. Appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2013 and the Profit for the year ended 31st March, 2013.
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The Annual Accounts have been prepared on a going concern basis.

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## 12. APPOINTMENT OF AUDITORS

M/s. D.N. Shukla & Co., the Auditors of the Company will retire in the forthcoming Annual General Meeting and are eligible for reappointment. The members are requested to appoint the Auditors and fix their remuneration.

### **COST AUDITOR**

Pursuant to the provisions of Section 224 (1B) read with Section 233 B of the Companies Act, 1956, the Company has appointed Shri. Pradip M. Damania, Cost Accountant as Cost Auditors of the Company for the Financial Year 2012-13 and 2013-14.

## 13. CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY

Provisions of Clause 49 of the Listing Agreement are not applicable to the Company. The Company prepares quarterly unaudited financial results and submits the same to the Bombay Stock Exchange. The Company has constituted committees to deal with Investor Grievance and Share Transfers. There are two independent Directors. Board meetings are convened at regular intervals with proper notice and backgrounds sent to all the Directors before time. The Chairman is elected at every Board Meeting. The Company is availing the services of Company Secretary in whole time practice to ensure compliance under Company Law, SEBI, Listing Agreement and relevant corporate laws as applicable. Guidelines for Corporate Social Responsibility have also been implemented and reported under separate heading in this report. Most of the Voluntary Corporate Guidelines issued by the Ministry of Corporate Affairs are complied with.

## 14. COMPLIANCE CERTIFICATE

As required under Section 383A of the Companies Act, 1956, and rules framed thereunder the Company has obtained the Compliance Certificate from the whole time Company Secretary in practice and the same is attached to this report and forms part of this report.

## 15. GREEN INITIATIVE

The Company is geared to start transmitting Annual Report through electronic mode—email to the shareholders who opt to receive the same through electronic mode and thereby reduce consumption of paper.

## 16. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Directors are happy to report that the Company has maintained very cordial relations with its employees. The Management is committed to fortify such relations at all levels of its human resource talent.

## 17. ACKNOWLEDGEMENT

Your Directors wish to acknowledge their appreciation of the valuable contribution by all sections of the Company's workforce. Your Directors also wish to place on record their appreciation of the continuous support received from the Company's bankers, customers and suppliers.

For and on behalf of the Board

Place : Mumbai  
Date : 27th July, 2013

**C.G. Cholera**  
*Director*

**J. C. Bhatia**  
*Managing Director*

**Hitesh D. Buch**  
B.B.A., LL.B., F.C.S.

**Hitesh Buch & Associates**  
Company Secretaries

### Compliance Certificate

To,  
The Members,  
RAPICUT CARBIDES LIMITED.  
(Corporate Identification No.: - L28910GJ1977PLC002998)  
119, GIDC Industrial Area,  
Ankleshwar- 393 002,  
Gujarat.

We have examined the registers, records, books and papers of Rapicut Carbides Limited ("the Company") as required to be maintained under the Companies Act, 1956. ("the Act") and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended on 31<sup>st</sup> March 2013. In our opinion and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, and to the best of our knowledge and belief, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained the registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies, Gujarat, Ahmedabad, Regional Director, Central Government, Company Law Board or other authorities under the Act and the rules made there under.
3. The Company is a Public Limited Company and hence comments under this paragraph are not required.
4. The Board of Directors met Four (4) times respectively on (213) 26<sup>th</sup> May, 2012, (214) 28<sup>th</sup> July, 2012, (215) 27<sup>th</sup> October, 2012 and (216) 2<sup>nd</sup> February, 2013 and the proceedings were recorded and signed in the Minutes Book maintained in loose leaf form for the purpose. The Company has not passed any resolution by circulation.
5. The Company has closed its Register of Members from 18<sup>th</sup> September, 2012 to 21<sup>st</sup> September, 2012 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the Financial Year ended 31<sup>st</sup> March, 2012 was held on 22<sup>nd</sup> September, 2012, after giving due notice to the members of the Company and resolutions passed thereat were duly recorded in the Minutes Book maintained in loose leaf form for the purpose.
7. No Extra Ordinary General Meeting was held during the Financial Year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act during the financial year.
9. The Company has not entered into any contract falling within the purview of Section 297 of the Act.

310, Aditya Plaza, 3<sup>rd</sup> Floor, Near Karnavati Apartments, Jodhpur, Satellite, Ahmedabad - 380015  
Tele: 079-40321260 mail: hiteshbuch@yahoo.co.in ; pcs.buchassociates@gmail.com



**Hitesh D. Buch**  
B.B.A., LL.B., F.C.S.

**Hitesh Buch & Associates**  
Company Secretaries

10. No entries have been made in the Register maintained under section 301 of the Act, as there was no relevant transaction.
11. There were no instances falling within the purview of Section 314 of the Act.
12. The duly constituted Share Transfer Committee has approved the issue of duplicate share certificates.
13. The Company
  - (i) has delivered all the certificates on lodgment thereof for transfer in accordance with the provisions of the Act. There was no allotment/transmission of securities during the Financial Year.
  - (ii) has deposited the amount of dividend declared in a separate Bank Account on 26<sup>th</sup> September, 2012, which was within five days from the date of declaration of such dividend.
  - (iii) has posted warrants for dividends to all the Members within period of 30 days from the date of declaration and that all unclaimed/ unpaid dividend has been transferred to Unpaid Dividend Account of the Company with Axis Bank Ankleshwar Branch on 27<sup>rd</sup> October, 2012.
  - (iv) was not required to transfer any amount to Investor Education and Protection Fund, since there was no amount, on account of unpaid dividend, application money due for refund, matured deposits; matured debentures and the interest accrued thereon, lying with the Company, and which was required to be transferred to the said fund.
  - (v) has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of additional directors and directors have been duly made during the financial year
15. The appointment of Whole Time Director has been made in compliance with the provisions of the Act
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approval of the Registrar of Companies and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors of the Company have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any Equity Shares during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any redeemable preference shares/debentures and hence the question of redemption does not arise.

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**Hitesh D. Buch**  
B.B.A., LL.B., F.C.S.

**Hitesh Buch & Associates**  
Company Secretaries

22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has complied with the provisions of Section 58A read with Companies (Acceptance of Deposit) Rules, 1975. The Company filed copy of Statement in Lieu of Advertisement as required with the Registrar of Companies, Ahmadabad, Gujarat on 7<sup>th</sup> August, 2012. The Company has also filed Return of Deposit on 5<sup>th</sup> June, 2012 with Registrar of Companies.
24. The amount borrowed by the Company from Banks during the Financial Year ended 31<sup>st</sup> March, 2013 are within the borrowing limits of the Company as per Section 293(1)(d) of the Act.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate during the financial year and consequently no entries have been made in the Register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. As per the information given by the management, no prosecution has been initiated against or show cause notices has been received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted its own Provident fund for its employees and therefore the provisions of Section 418 of the Act are not applicable to the Company.

For HITESH BUCH & ASSOCIATES  
(Company Secretaries)

Place: Ahmedabadi  
Date: 30<sup>th</sup> May, 2013



*Hitesh Buch*  
CS HITESH BUCH  
Proprietor  
C.P.No. 8195

310, Aditya Plaza, 3<sup>rd</sup> Floor, Near Karnavati Apartments, Jodhpur, Satellite, Ahmedabad - 380015  
Tele: 079-40321260 mail: hiteshbuch@yahoo.co.in ; pcs.buchassociates@gmail.com

**Hitesh D. Buch**  
B.B.A., LL.B., F.C.S.

**Hitesh Buch & Associates**  
Company Secretaries

**Annexure A**

**Registers as maintained by the Company**

1. Register of Transfer u/s 108 of the Act
2. Register of Charges u/s 143 of the Act.
3. Register of Members u/s 150 of the Act is being maintained by the Registrar and Share Transfer Agents of the Company
4. Minutes Books of Board of Directors u/s.193 (1) of the Act.
5. Minutes Books of the proceedings of General Meeting u/s 193(1), 196(1) of the Act.
6. Register of Directors', Managing Director, Manager and Secretary u/s 303 of the Act.
7. Register of Directors Shareholdings u/s.307 of the Act.
8. Minutes Book of Share Transfer Committee Meetings
9. Minutes Book of Remuneration Committee Meetings
10. Register of Contracts u/s 301 of the Companies Act.
11. Register of Renewed and Duplicate Certificates under Rule 7 of the Companies (Issue of Share Certificates) Rules, 1960
12. Register of Proxies.
13. Register of Deposit under Rule 7 of the Companies (Acceptance of Deposits) Rules, 1975

**Annexure-B**

Forms and Returns as filed by the Company, during the financial year ended 31<sup>st</sup> March, 2013

i) With Registrar of Companies.

Sr No	Forms	Purpose
1.	Annual Accounts (Form 23AC and 23 ACA)	U/s.220 of the Companies Act, 1956 as on 31 <sup>st</sup> March, 2012 was filed on 22 <sup>nd</sup> December, 2012.
2.	Annual Return (Form 20B)	U/s.159 of the Companies Act, 1956 as on 22nd September, 2012 was filed on 21 <sup>st</sup> November, 2012.
3.	Compliance Certificate (Form 66)	U/s 383 A of the Companies Act, 1956 for the Financial Year ended 31 <sup>st</sup> March, 2012 was filed on 12th October, 2013.
4.	Form 8	The charge created on 20 <sup>th</sup> May, 2011 is now modified on 07-10-2013 on account of release of charge on Term Loan facility of Rs.120 lacs & total aggregate limit of the charge is Rs.620 lacs of the Company was filed on 31 <sup>st</sup> January, 2013.
5.	Form 8	Pursuant to the provisions contained in Sec.132 read with sec.135 of the above named Act, it is further modified to revise/review/enhance Credit Facilities by way of (1) Deed of Further Charge (2) Agreement of Hypothecation of Goods & Assets both dated 8-3-2013 now the overall aggregate limit is Rs. 845 lacs, the Company was filed on 30 <sup>th</sup> March, 2013.
6.	Form 67	Return of Deposits pursuant to Rule 10 of the Companies (Acceptance of Deposits) Rules, 1975 for the year ended 31 <sup>st</sup> March, 2012 was filed on 5 <sup>th</sup> June, 2012.
7.	Form 62	U/s 58 A of the Companies Act, 1956 was filed on 7 <sup>th</sup> August, 2012 in respect of issue of Statement in Lieu of Advertisement.
8.	Form 23	Registration of resolution and agreement was filed on 12 <sup>th</sup> October, 2012
9.	Form 23B	Re-appointment of Statutory Auditor in Annual General Meeting was filed on 18 <sup>th</sup> October, 2012.
10.	Form 5 INV	Filing of unpaid and unclaimed amounts in IEPF A/c was filed on 8 <sup>th</sup> September, 2012.
11.	Form A-XBRL	Filing XBRL Document in respect of Compliance Report & other documents (Cost Acct)

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**AUDITORS' REPORT**

To,  
The Members of  
Rapicut Carbides Limited

1. We have audited the attached Balance Sheet of RAPICUT CARBIDES LIMITED as at 31st March, 2013, the related Profit & Loss Account and also the Cash Flow Statement for the year ended on that date are annexed thereto. These Financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
4. In our opinion, proper Books of Accounts as required by the law have been kept by the company so far as appears from our examination of those books.
5. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
6. In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub Section (3 C) of Section 211 of the Companies Act, 1956.
7. On the basis of the written representations received from the Directors as on 31st March, 2013, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2013 from being appointed as a Director in Terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
8. In our opinion and to the best of our information and according to the explanation given to us the said accounts, read together with Notes to Accounts, give the information required, by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Balance Sheet, of the state of affairs of the Company, as at 31st March, 2013;
  - ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
  - iii) in the case of the Cash Flow statement, of the Cash Flow for the year ended on that date.
9. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure the matters specified in paragraph 4 and 5 of the said order.

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

**P. J. Mankad**  
Partner

(Membership No. 036010)  
FR No. 110228W

Place : Mumbai  
Date : 30th May, 2013

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## ANNEXURE TO THE AUDITORS' REPORT

### REFERRED TO IN PARAGRAPH 9 OF OUR REPORT OF EVEN DATE

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year, and the going concern status of the Company is not affected.
- ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) The Company has neither granted nor taken any loans, secured or unsecured to and from Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the clauses 4 (iii) (b) to (d) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 58 A and 58 AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. The Company Law Board has passed no order in respect of aforesaid deposit.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules 2011, prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained, however we have not made detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ix) a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, service tax, cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty, service tax and cess were in arrears, as at 31st March, 2013 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are dues of excise duty which have not been deposited as the same are disputed.

The disputed statutory dues aggregating to Rs.9.55 lacs, that have not been deposited on account of matters pending before appropriate authorities are as under:

Sr. No.	Name of the Statute	Name of the Dues	Forum where Dispute is pending	Amount (Rs. In Lacs)
1.	Central Excise Act, 1944	Excise Duty	Commissioner (Appeal) CESTAT	0.10 9.45
			TOTAL	<b>9.55</b>

- x) In our opinion, the company has made profit during the year. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii) We are of the opinion that the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xv) In our opinion, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- xvi) The Company has not raised new term loan during the year. The term loans outstanding at the beginning of the year were applied for the purposes for which they were raised. Outstanding balance at the end of the year were NIL.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
- xx) According to the information and explanations given to us, during the period covered by our audit report, the company has not raised any money by way of Public Issue.
- xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

**P. J. Mankad**  
Partner

(Membership No. 036010)  
FR No. 110228W

Place : Mumbai  
Date : 30th May, 2013

**BALANCE SHEET AS AT 31ST MARCH, 2013**

SR. NO.	PARTICULARS	NOTE NO.	31.03.2013 Rupees	31.03.2012 Rupees
<b>EQUITY AND LIABILITIES</b>				
1	SHAREHOLDERS' FUNDS			
	(a) Share Capital	1	2,14,84,980	2,14,84,980
	(b) Reserves & Surplus	2	13,56,54,031	11,11,24,619
	(c) Money recived against. Share Warrants		-	-
	TOTAL		<u>15,71,39,011</u>	<u>13,26,09,599</u>
2	SHARE APPLICATION MONEY PENDING ALLOTMENT		-	-
3	NON-CURRENT LIABILITIES			
	(a) Long Term Borrowings	3	59,25,000	92,09,000
	(b) Deferred Tax Liabilities (Net)		10,20,089	5,17,030
	(c) Other Long-Term Liabilities	4	6,20,000	7,14,360
	(d) Long-Term Provisions	5	18,95,681	17,59,711
	TOTAL		<u>9,460,770</u>	<u>1,22,00,101</u>
4	CURRENT LIABILITIES			
	(a) Short Term Borrowings	6	(39,64,879)	1,23,70,423
	(b) Trade Payables	7	5,15,89,517	2,87,51,631
	(c) Other Current Liabilities	8	2,04,63,983	1,52,91,189
	(d) Short Term Provisions	9	1,50,46,499	1,24,58,520
	TOTAL		<u>8,31,35,120</u>	<u>6,88,71,763</u>
	<b>TOTAL</b>		<u>24,97,34,901</u>	<u>21,36,81,463</u>
<b>ASSETS</b>				
1	NON-CURRENT ASSETS			
	(a) Fixed Assets			
	(i) Tangible Assets	10	3,25,48,237	2,45,14,878
	(ii) Intangible Assets	11	11,58,886	15,26,445
	(iii) Capital Work-In-Progress		44,33,573	2,09,828
	(iv) Intangible Assets Under Dev.		-	-
	(b) Non-Current Investments	12	4,02,750	4,02,750
	(c) Deferred Tax Assets (Net)		-	-
	(d) Long-Term Loans And Advances	13	47,78,894	48,38,044
	(e) Other Non-Current Assets		-	-
	TOTAL		<u>4,33,22,340</u>	<u>3,14,91,945</u>
2	CURRENT ASSETS			
	(a) Current Investments		-	-
	(b) Inventories	14	14,43,12,982	12,70,52,335
	(c) Trade Receivables	15	4,06,93,702	4,16,70,265
	(d) Cash And Cash Equivalent	16	99,24,722	92,63,804
	(e) Short-Term Loans And Advances	17	1,04,07,330	30,74,908
	(f) Other Current Assets	18	10,73,825	11,28,206
	TOTAL		<u>20,64,12,561</u>	<u>18,21,89,518</u>
	<b>TOTAL</b>		<u>24,97,34,901</u>	<u>21,36,81,463</u>
	Accounting Policies	27	-	-
	Others Note forming part of Accounts	28	-	-

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

For and on behalf of the Board

**P. J. Mankad**  
Partner  
M. No. 36010

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

Place : Mumbai  
Date : 30th May, 2013.

**A. R. Master**  
Asst. Vice-President  
(Finance)

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

SR. NO.	PARTICULARS	NOTE NO.	31-03-2013 Rupees	31-03-2012 Rupees
1.	<b>Revenue From Operations</b>			
	Revenue from Operations	19	<b>39,30,39,301</b>	30,09,71,115
	Other Income	20	<b>5,12,208</b>	3,49,413
	<b>Total Revenue</b>		<b><u>39,35,51,509</u></b>	<b><u>30,13,20,528</u></b>
2.	<b>Expenses :</b>			
	- Cost of Material Consumed	21	<b>24,85,49,631</b>	20,77,20,199
	- Purchase of Stock-In-Trade	-	-	-
	- Changes In Inventories of Finished Goods, Work-In-Progress & Stock -In-Trade	22	<b>(16,90,641)</b>	(2,41,59,296)
	- Employee Benefits Expenses	23	<b>3,61,43,069</b>	3,21,82,403
	- Finance Costs	24	<b>43,68,336</b>	4,421,412
	- Depreciation And Amortization Expense	25	<b>40,14,486</b>	3,721,756
	- Other Expenses	26	<b>4,64,86,790</b>	3,25,62,063
	<b>Total Expenses</b>		<b><u>33,78,71,671</u></b>	<b><u>25,64,48,537</u></b>
	<b>Profit Before Exceptional And Extraordinary Items And Tax</b>		<b>5,56,79,838</b>	4,48,71,991
	Exceptional Items - Prior Period		<b>12,93,263</b>	1,06,633
	<b>Profit Before Extraordinary Items And Tax</b>		<b>5,43,86,575</b>	4,47,65,358
	Extraordinary Items		-	-
	<b>Profit Before Tax</b>		<b>5,43,86,575</b>	4,47,65,358
	Tax Expense			
	- Current Tax		<b>1,78,00,000</b>	1,37,00,000
	- Earliar Years Tax		<b>14,99,563</b>	-
	- Deferred Tax		<b>5,03,059</b>	7,24,030
	<b>Profit For The Period From Continuing Operations</b>		<b>3,45,83,953</b>	3,03,41,328
	Profit From Discontinuing Operations		-	-
	Tax Expense Of Discontinuing Operations		-	-
	Profit From Discontinuing Operations (After Tax)		-	-
	<b>Profit For The Period</b>		<b><u>3,45,83,953</u></b>	<b><u>3,03,41,328</u></b>
	Earning Per Equity Share			
	- Basic		<b>16</b>	14
	- Diluted		<b>16</b>	14
	Accounting Policies	27		
	Other Notes forming part of Accounts	28		

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

**P. J. Mankad**  
Partner  
M. No. 36010

Place : Mumbai  
Date : 30th May, 2013.

**A. R. Master**  
Asst. Vice-President  
(Finance)

For and on behalf of the Board

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

**NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2013**

PARTICULARS	NOTE NO.	31.03.2013 Rupees	31.03.2012 Rupees
<b>Share Capital :</b>	<b>1</b>		
<b>(a) Authorised :</b> 40,00,000 (Last Year 40,00,000) Equity Shares of Rs.10/each		<u>4,00,00,000</u>	<u>4,00,00,000</u>
<b>(b) Issued, Subscribed &amp; Paid Up</b> Shares at the beginning of the accounting period 21,48,498 (L.Y.21,48,498) Equity Shares of Rs.10/- Each (Include, 2,95,000/- Equity Shares issued as Bonus Shares & 60,384 Equity Shares allotted as fully paid shares to share holders of erstwhile Gujarat Drivell Pvt. Ltd for consideration other than cash)		<u>2,14,84,980</u>	<u>2,14,84,980</u>
TOTAL		<u>2,14,84,980</u>	<u>2,14,84,980</u>
<b>(c) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.</b> At the beginning of the period Add : Shares issued during the year Less: Shares bought back during the year Outstanding at the end of the period		<u>2,14,84,980</u> - - <u>2,14,84,980</u>	<u>2,14,84,980</u> - - <u>2,14,84,980</u>
<b>(d) Terms/rights attached to equity shares</b> The Company has only one class of equity shares having a face value of Rs.10 per share. The Company has recommended dividend for the year ended 31 March, 2013		<b>4</b>	<b>3</b>
<b>(e) Details of shareholders holding more than 5% shares in the company - Equity Share of Rs.10/- each fully paid up.</b>			
		<b>No. of Shares held</b>	<b>% No. of Shares held</b>
Pragya Equities Pvt. Ltd.	<b>153730</b>	<b>7.16</b>	143516 6.68
Dayawanti J Bhatia	<b>120234</b>	<b>5.60</b>	77284 3.60
<b>(f) Aggregate number of shares issued and bonus for consideration other than cash during the period of five years immediately preceding the reporting date</b>		<b>NIL</b>	<b>NIL</b>
<b>(g) The company has not issued any right shares and bonus shares nor there has been buy back of shares during the period of five years immediately preceding the reporting date</b>		<b>NIL</b>	<b>NIL</b>
<b>Reserves &amp; Surplus :</b>	<b>2</b>		
<b>1 General Reserve</b> At the beginning of the accounting period Additions during the year At the end of the accounting period		<u>2,50,00,000</u> <u>60,00,000</u> <u>3,10,00,000</u>	<u>2,00,00,000</u> <u>50,00,000</u> <u>2,50,00,000</u>
<b>2 Securities Premium Account</b> At the beginning of the accounting period Additions during the year At the end of the accounting period		<u>4,49,43,418</u> - <u>4,49,43,418</u>	<u>4,49,43,418</u> - <u>4,49,43,418</u>

SR. NO.	PARTICULARS	NOTE NO.	31.03.2013 Rupees	31.03.2012 Rupees
3	Surplus			
	At the beginning of the accounting period		3,64,33,287	1,85,83,073
	Additions during the year (Balance In Statement Of Profit & Loss A/C)		3,45,83,953	3,03,41,328
	Allocations & Appropriations			
	Dividend		85,93,992	64,45,494
	Tax on Dividend		14,60,549	10,45,620
	Bonus Shares Issued		-	-
	Transfer to/from Reserves		60,00,000	50,00,000
	At the end of the accounting period		<u>5,49,62,699</u>	<u>3,64,33,287</u>
4	Capital Reserve		29,06,317	29,06,317
5	Central / State Govt. Subsidy		18,41,597	18,41,597
	TOTAL		<u>1,35,654,031</u>	<u>1,11,124,619</u>
	<b>Long Term Borrowings</b>	<b>3</b>		
1	<b>Unsecured Long Term Borrowings :</b>			
	Loans from Directors		-	-
	Fixed Deposit from Public		32,58,000	55,47,000
	Fixed Deposit from Shareholder		26,67,000	36,62,000
	TOTAL		<u>59,25,000</u>	<u>92,09,000</u>
	<b>Other Long-Term Liabilities :</b>	<b>4</b>		
	Security Deposits from Distributors		6,20,000	6,40,000
	Car Deposit from Employees		-	74,360
	TOTAL		<u>6,20,000</u>	<u>7,14,360</u>
	<b>Long-Term Provisions :</b>	<b>5</b>		
	Provision for Leave Encashment		18,95,681	17,59,711
	TOTAL		<u>18,95,681</u>	<u>17,59,711</u>
	<b>Current Liabilities</b>	<b>6</b>		
	<b>Short-Term Borrowings :</b>			
1	<b>Secured Loans from Banks</b>			
	From State Bank of India - Cash Credit (Secured against hypothecation of Stock & Book-debts)		(39,64,879)	80,12,519
2	<b>From State Bank of India - Term Loan</b> (Secured against hypothecation of Machinery)		-	43,57,904
	TOTAL		<u>(39,64,879)</u>	<u>1,23,70,423</u>
	<b>Notes on Short-Term Borrowings :-</b>			
1	Cash Credit facilities availed from State Bank of India Is Secured against hypothecation of Inventories & book-debts Company's immovable properties form part of the Collateral security and whole-time Directors have given their Personal Guarantee for the same. Loan is repayable on demand.		(39,64,879)	80,12,519
2	Term loan facilities availed from State Bank of India is secured against Plant and Machinery. Company's Immovable Properties form part of the Collateral Security and whole-time Directors have given their personal Guarantee for the same.		-	43,57,904
			<u>(39,64,879)</u>	<u>1,23,70,423</u>

SR. NO.	PARTICULARS	NOTE NO.	31.03.2013 Rupees	31.03.2012 Rupees
	<b>Trade Payables</b>	<b>7</b>		
	Sundry Creditors		<b>4,71,90,812</b>	2,71,17,099
	Advance from parties-Interest free		<b>43,98,705</b>	16,34,532
	TOTAL		<b>5,15,89,517</b>	2,87,51,631
	<b>Other Current Liabilities</b>	<b>8</b>		
1	Current maturities of long term debts		-	3,55,406
2	Unsecured Fixed Deposit from Public		<b>99,55,000</b>	74,74,000
3	Unsecured Fixed Deposit from Shareholder		<b>45,79,000</b>	22,89,000
4	Interest accrued but not due on borrowings		<b>10,07,912</b>	8,83,223
5	Unpaid Dividends		<b>19,59,524</b>	14,03,191
6	Duties & Taxes		<b>25,02,365</b>	24,13,837
7	Current Year, Sales Tax Payable (Net of Advance Tax)		<b>4,60,182</b>	4,72,532
	TOTAL		<b>2,04,63,983</b>	1,52,91,189
	<b>Short-Term Provisions</b>	<b>9</b>		
1	Provision for Expenses		<b>4,991,958</b>	4,967,406
2	Provision for Dividend		<b>8,593,992</b>	6,445,494
3	Provision for Tax on Dividend		<b>1,460,549</b>	1,045,620
	TOTAL		<b>15,046,499</b>	12,458,520

## FIXED ASSETS

### NOTE NO.10 i) TANGIBLE ASSETS

Items	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening Balance 01-04-12 Rupees	Addi-tions Rupees	Sales/ Disposal/ Transfer Rupees	Closing Balance 31-03-13 Rupees	Opening Balance 01-04-12 Rupees	Depri during the year Rupees	Deduc-tion Rupees	Depri up to 31.03.13 Rupees	Closing Balance 31-03-13 Rupees	Opening Balance 01-04-12 Rupees
Leasehold Land	352174	-	-	352174	122379	3557	-	125936	226238	229795
Buildings	13935345	218100		14153445	8131287	467236	-	8598523	5554922	5804058
Plant & Machinery and Electrical Fittings	54862654	11375669	192500	66045823	39868815	2449574	182875	42135514	23910309	14993839
Data Process Equipment	3533681	90784	-	3624465	2587118	227513	-	2814631	809834	946563
Furniture Fixture & Office Equipment	3773289	167341	48725	3891905	3368506	114885	46289	3437100	454805	404783
Vehicles	3407724	-	424046	2983678	1271884	320312	200647	1391549	1592129	2135840
<b>TOTAL</b>	<b>79864867</b>	<b>11851894</b>	<b>665271</b>	<b>91051490</b>	<b>55349989</b>	<b>3583077</b>	<b>429811</b>	<b>58503253</b>	<b>32548237</b>	<b>24514878</b>

### NOTE NO.11 ii) INTANGIBLE ASSETS

Items	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening Balance 01-04-12 Rupees	Addi-tions Rupees	Sales/ Disposal/ Transfer Rupees	Closing Balance 31-03-13 Rupees	Opening Balance 01-04-12 Rupees	Depri during the year Rupees	Deduc-tion Rupees	Depri up to 31.03.13 Rupees	Closing Balance 31-03-13 Rupees	Opening Balance 01-04-12 Rupees
Technical Know-how	2126953	63851	-	2190804	600509	431409	-	1031918	1158886	1526444
<b>TOTAL</b>	<b>2126953</b>	<b>63851</b>	<b>-</b>	<b>2190804</b>	<b>600509</b>	<b>431409</b>	<b>-</b>	<b>1031918</b>	<b>1158886</b>	<b>1526444</b>

### iii) CAPITAL WORK-IN-PROGRESS

Machinery under Installation	209828	4433573	209828	4433573	-	-	-	-	4433573	209828
<b>TOTAL</b>	<b>209828</b>	<b>4433573</b>	<b>209828</b>	<b>4433573</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4433573</b>	<b>209828</b>
<b>GRAND TOTAL</b>	<b>82201648</b>	<b>16349318</b>	<b>875099</b>	<b>97675867</b>	<b>55950498</b>	<b>4014486</b>	<b>429811</b>	<b>59535171</b>	<b>38140696</b>	<b>26251150</b>
<b>PREVIOUS YEAR</b>	<b>72247516</b>	<b>12820209</b>	<b>2866078</b>	<b>82201648</b>	<b>53321025</b>	<b>3721758</b>	<b>1092285</b>	<b>55950498</b>	<b>26251150</b>	<b>18926491</b>

SR. NO.	PARTICULARS	NOTE NO.	31.03.2013 Rupees	31.03.2012 Rupees
	<b>Non Current Assets</b>	<b>12</b>		
	<b>Non Current Investment :</b>			
	(A) Unquoted - Trade - Long Term			
	1) In Government Securities- National Saving Certificates		12,000	12,000
	2) Others - 1581 Equity Shares of Bharuch Enviro Infrastructure Ltd.		15,750	15,750
	(B) Quoted - Trade - Long Term			
	1) 7,000 Equity Shares of Rapicut Carbides Ltd. The said shares have devolved on the company in lieu of 17,500 equity shares of Gujarat Drillwell Pvt.Ltd. pursuant to Gujarat High Court order and are held in Trust on behalf of the Company.(Market value Rs.5,82,750/-)		1,75,000	1,75,000
	2) 20,000 Nos of SBI Infrastructure Fund (Market value Rs. 1,61,182/-)		2,00,000	2,00,000
	TOTAL		<u>4,02,750</u>	<u>4,02,750</u>
	<b>Long Term Loans And Advances :</b>	<b>13</b>		
	Security Deposits (Unsecured considered good unless otherwise stated)		47,78,894	48,38,044
	TOTAL		<u>47,78,894</u>	<u>48,38,044</u>
	<b>Current Assets</b>	<b>14</b>		
	<b>Inventories :</b>			
	(As taken, valued & certified by the Management)			
	1. Raw Materials		4,32,94,470	29,553,586
	2. Work In Process		6,28,12,600	68,820,541
	3. Finished Goods		1,98,08,201	12,109,619
	4. Stores, Spares & Loose Tools		1,80,93,856	15,852,377
	5. Goods In-transit		3,03,855	716,212
	TOTAL		<u>14,43,12,982</u>	<u>12,70,52,335</u>
	<b>Trade Receivables :</b>	<b>15</b>		
	(Unsecured considered good unless otherwise stated)			
	(1) Debts outstanding for a period exceeding six months from the dates they are due		8,36,786	19,34,951
	(2) Other Debts		3,98,56,916	3,97,35,314
	TOTAL		<u>40,693,702</u>	<u>4,16,70,265</u>
	<b>Cash &amp; Cash Equivalents :</b>	<b>16</b>		
	<b>(A) Balance With Banks</b>			
	In Fixed Deposits			
	- Earmarked Balances with Banks held as Margin Money against borrowings and other commitments.		26,36,823	25,16,000
	- Maturity with less than 12 months		-	-
	In Current Accounts :		71,87,878	67,00,090
	<b>(B) Cheques, Drafts on hand</b>		-	-
	<b>(C) Cash on hand</b>		1,00,021	47,714
	TOTAL		<u>99,24,722</u>	<u>92,63,804</u>

SR. NO.	PARTICULARS	NOTE NO.	31.03.2013 Rupees	31.03.2012 Rupees
	<b>Short Term Loans &amp; Advances :</b>	<b>17</b>		
	(Unsecured considered good unless otherwise stated)			
	Advances Recoverable in cash or kind for the value to be received			
	(1) Advance to Parties		13,24,397	2,96,566
	(2) Receivable / Recoverable from Revenue Authorities		90,27,239	27,24,759
	(3) Current Years Taxes Recoverable(Net Of Liability)		-	-
	(4) Advance to Employees		55,694	53,583
	TOTAL		<u>1,04,07,330</u>	<u>30,74,908</u>
	<b>Other Current Assets :</b>	<b>18</b>		
	(1) Prepaid Expenses		6,37,147	8,78,757
	(2) Tender Deposits		25,000	25,000
	(3) Interest Accrued But Not Received		3,81,101	1,91,127
	(4) Insurance Claim		30,577	33,322
	TOTAL		<u>10,73,825</u>	<u>11,28,206</u>
	<b>Revenue From Operations</b>	<b>19</b>		
	Sale of Products (Net of Returns, Discount Etc.)		44,16,76,000	33,08,33,899
	Other Operating Revenues		-	13,551
			<u>44,16,76,000</u>	<u>33,08,47,450</u>
	Less: Excise Duty		4,86,36,699	2,98,76,335
	Net Revenue From Operations		<u>39,30,39,301</u>	<u>30,09,71,115</u>
	<b>Other Income :</b>	<b>20</b>		
	Interest Income (Tds Rs. 33,163/-)		4,88,836	3,20,849
	Dividend Income		23,372	19,081
	Profit on Sale of Assets		-	9,483
	TOTAL		<u>5,12,208</u>	<u>3,49,413</u>
	<b>Cost Of Materials Consumed :</b>	<b>21</b>		
	Purchases Raw-Materials & Packing Materials		26,22,90,515	21,18,39,318
	Add: Opening Balance of Stock		2,95,53,586	2,54,34,467
			<u>29,18,44,101</u>	<u>23,72,73,785</u>
	Less: Closing Balance of Stock		4,32,94,470	2,95,53,586
	Consumption of Materials		<u>24,85,49,631</u>	<u>20,77,20,199</u>
	<b>Changes In Inventories</b>	<b>22</b>		
	Finished Goods			
	At the beginning of the Accounting Period		1,21,09,619	1,24,91,493
	At the end of the Accounting Period		1,98,08,201	1,21,09,619
			<u>(76,98,582)</u>	<u>3,81,874</u>
	Work-In-Process			
	At the beginning of the Accounting Period		6,88,20,541	4,42,79,371
	At the end of the Accounting Period		6,28,12,600	6,88,20,541
			<u>60,07,941</u>	<u>(2,45,41,170)</u>
	TOTAL		<u>(16,90,641)</u>	<u>(2,41,59,296)</u>

SR. NO.	PARTICULARS	NOTE NO.	31.03.2013 Rupees	31.03.2012 Rupees
	<b>Employee Benefits Expense</b>	<b>23</b>		
	Salary And Wages			
	Factory Wages		1,33,76,153	1,16,74,634
	Office Staff Salary		77,34,988	67,10,217
	Compensation		2,60,000	-
	Marketing Staff Salary & Incentives		33,20,128	33,15,951
	Directors Remuneration		31,38,150	27,46,034
	<b>Contribution to Provident &amp; Other Funds</b>			
	Contribution to Provident Fund		18,52,012	16,65,440
	Contribution to Employees State Insurance Fund		5,64,495	6,09,233
	Contribution to Other Funds		1,080	1,110
	Contribution to Gratuity Fund		9,93,777	9,00,889
	Contribution to Super Annuation Fund		10,24,229	7,93,639
	EPF Arrears		-	1,64,805
	<b>Other Expenses</b>			
	Workers & Staff Welfare		16,33,677	13,77,972
	Bonus & Exgratia		9,89,459	9,55,436
	Leave With Wages		5,78,290	5,41,366
	Perquisites to Employees		6,76,631	7,25,677
	TOTAL		<u>3,61,43,069</u>	<u>3,21,82,403</u>
	<b>Financial Costs :</b>	<b>24</b>		
	Interest Expense			
	Interest to Bank		8,65,067	8,02,381
	Interest to Depositors		24,27,452	23,24,672
	Interest to Bank On Vehicle Loan		14,144	49,108
	Interest to Bank On Term Loan		1,92,155	7,55,460
	Interest on TDS & Other Taxes		902	15,905
	Bank Charges		8,68,616	4,73,886
	TOTAL		<u>43,68,336</u>	<u>44,21,412</u>
	<b>Depreciation And Amortization Expense :</b>	<b>25</b>		
	Depreciation		40,14,486	3,721,756
	TOTAL		<u>40,14,486</u>	<u>3,721,756</u>
	<b>Other Expenses :</b>	<b>26</b>		
<b>A</b>	<b>Manufacturing Expense :</b>			
	Consumption of Stores And Spare Parts			
	Opening Stock		1,58,52,377	1,00,92,352
	Add : Purchases		1,24,64,818	1,10,54,267
			<u>2,83,17,195</u>	<u>2,11,46,619</u>
	Less : Closing Stock		18,093,856	1,58,52,377
			<u>1,02,23,339</u>	<u>52,94,242</u>
	Freight Inward		1,52,850	1,32,299
	Power & Fuel		1,33,14,443	1,04,57,448
	Grinding Charges		33,984	9,723
	Water Charges		2,08,562	1,83,382
	Repair to Machinery		20,45,479	9,88,092
	TOTAL		<u>2,59,78,657</u>	<u>1,70,65,186</u>

PARTICULARS	NOTE NO.	31.03.2013 Rupees	31.03.2012 Rupees
<b>B Administartive Expense</b>			
Car Hire Expenses		2,45,000	2,43,486
Festival Celebration Expenses		98,024	92,399
Donation		25,300	16,400
Subscription/Membership Fees		47,411	1,23,241
Electricity Expenses		44,084	34,253
Rates & Taxes		5,66,547	7,01,560
General Expenses		2,51,374	3,91,067
Rent		9,88,199	9,21,668
Insurance		3,61,083	2,90,356
Legal Expenses		39,400	2,23,355
Recruitment Expenses		-	11,000
News Paper & Periodicals		56,734	67,050
Payment to The Auditors		75,253	69,762
Postage Telephone & Courier Expenses		5,60,819	4,73,268
Professional Charges		29,49,434	23,66,370
Printing & Stationery		4,33,559	4,99,067
Repair to Buildings		3,42,647	4,85,354
Repair & Maintenance (General)		10,59,061	1,22,767
Loss on Impairment of Assets		1,58,336	61,290
Security Guard Expenses		9,49,567	8,54,168
Vehicle Running Expenses		1,32,526	1,47,647
Directors Commission		12,08,580	4,83,508
Directors Sitting Fees		70,000	85,000
TOTAL		<u>1,06,62,938</u>	<u>87,64,036</u>
<b>C Selling &amp; Distribution Expense</b>			
Advertisement Expenses		1,35,490	97,180
Conference Expenses		-	17,067
Freight & Cartage(Outward)		16,33,229	13,36,754
Dr./Cr. Balance W/Off		(231)	8,748
Sales Commission & Incentives		7,55,008	6,65,505
Turnover / Cash Discount		7,71,998	5,71,844
Sales Tax / Gvat Tax Expenses/Entry Tax Kolkatta		29,58,192	12,12,148
Octroi		4,26,205	4,21,502
Packing Material		16,96,883	14,16,922
Sales Promotion		1,96,311	1,54,385
Travelling Expenses		12,18,484	7,74,462
Travelling Expenses (Marketing)		53,627	56,324
TOTAL		<u>98,45,195</u>	<u>67,32,841</u>
GRAND TOTAL		<u>4,64,86,790</u>	<u>3,25,62,063</u>

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**NOTE NO. 27****STATEMENT OF ACCOUNTING POLICIES****1. BASIS OF ACCOUNT**

The financial statements are prepared under historical cost convention on an accrual basis in accordance with the generally accepted accounting principle in India, the accounting standards issued by the Institute of Chartered Accountants of India and are in accordance with the requirements of the Companies Act, 1956.

**2. FIXED ASSETS AND DEPRECIATION**

All fixed assets are stated at their original cost of acquisition / installation which includes taxes, duties (net of CENVAT & set off availed) & other identifiable direct expenses. Depreciation for the year has been provided on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation on addition/deduction during the year is charged on pro-rata basis. Leasehold land is amortised over the period of the lease. Depreciation on Technical know how has been provided as per remaining useful life of the assets.

**3. INVESTMENTS**

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

**4. INVENTORIES****a) Finished Goods**

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

**b) Raw Materials & Consumables**

Valued at landed cost or realizable value whichever is less.

**c) Work-in-Process**

Value at cost incurred till the stage of completion as determined by the Management. In respect of sintered T.C.(scrape) the stock is valued at cost incurred till the previous stage at which this material is generated. In case the material is sold, the valuation is restricted to the value realized at a subsequent date. Valuation is based on actual cost of production or realized value at stage whichever is lower.

**d) Due allowance is estimated and made for defective and obsolete stock based on past experience of the Company.****5. RETIREMENT BENEFITS**

a) Retirement benefits to employees comprise payment under defined contribution plan Superannuation, Gratuity through Group Schemes of Life Insurance Corporation of India. The premium/contribution paid/payable to LIC of India is charged to Profit & Loss Account. As per Revised Accounting Standard Actuarial Valuation was carried out by LIC of India, Company has not provided for same amount to Rs.56,77,287/- during the year being contingent in nature.

b) Leave encashment is provided for at current encashable salary rate for the entire encashable unavailed leave balance on Actual valuation bases.

**6. EXCISE & CUSTOM DUTY**

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

**7. FOREIGN CURRENCY TRANSACTIONS**

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

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**8. SALES**

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

**9. IMPAIRMENT OF ASSETS**

The carrying amount of an assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. Impairment loss will be recognised whenever the carrying amount of an assets exceeds recoverable amount. The Company applies the test of impairment of major assets as provided in accounting standard – 28, issued by Institute of Chartered Accountants of India.

**10. PROVISION AND CONTINGENCIES**

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

**11. TAXES ON INCOME**

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



## 10. Contingent Liabilities :

- Company's Income Tax Assessments have been completed up to the Assessment year 2010-2011. In the opinion of the management, provision made in books is sufficient to cover liabilities in respect of pending assessments.
- Company's Sales Tax Assessments have been completed up to the Assessment year 2008-09.
- Show Cause Notices/Demands for Excise/Customs duty claims raised by Department and contested by the Company are Rs.15.40 lacs (P.Y. Rs.15.40 lacs). The Company has paid Rs. 5.85 lacs (P.Y. Rs.5.85 lacs) under protest. Management has taken legal opinion that the provision made in the books is sufficient to cover the liabilities.
- Gratuity payable as per revised accounting standard & actuarial valuation submitted by LIC of India amounting to Rs.56,77,287/- (P.Y. Rs.49,78,888/-) was not provided for, as per management's explanation & opinion same is contingent in nature, as the valuation is based on assumption of Mortality rate, Withdrawal rate, Discounted rate & Salary escalation of service etc. for the year.

The principal assumptions used by LIC in determining valuation.

(1) Withdrawal Rate	:	1% to 3% depending on age	
Discounting Rate	:	8% p.a.	
Salary Escalation	:	7% p.a.	
		<b>2012-13 (Rs.)</b>	<b>2011-12 (Rs.)</b>
(2) Accrued Gratuity	:	1,24,88,831/-	1,11,51,715/-
Fund value as on	:	68,11,544/-	61,72,827/-
Net Unfunded Gratuity Liability	:	<u>56,77,287/-</u>	<u>49,78,888/-</u>
(3) Defined Benefit obligation plan			
Opening Balance	:	61,72,827/-	51,82,788/-
Add : Amount credited during the year	:	9,60,780/-	9,10,270/-
Less : Amount paid during the year	:	9,10,743/-	3,99,639/-
Add : Interest credited during the year	:	5,88,680/-	4,79,408/-
Closing Balance	:	<u>68,11,544/-</u>	<u>61,72,827/-</u>
(4) Present value of past defined obligation plan	:	1,17,89,281/-	1,04,58,155/-

11. Figures of the previous year have been re-grouped/re-arranged wherever necessary to conform to this year's classification as per Revised schedule VI of the companies Act, 1956.

As per our Audit Report of even date

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

Chartered Accountants

**P. J. Mankad**

Partner

Membership No. 36010

FR No. 110228W

Place : Mumbai

Date : 30th May, 2013

**A. R. Master**  
Asst. Vice-President  
(Finance)

For and on behalf of the Board

**J. C. Bhatia** Managing Director

**L. M. Bijlani** Director

**C. G. Cholera** Director

**C. J. Bhatia** Executive Director

**B. V. Dholakia** Director

**D. D. Kanitkar** Director

**OTHER NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2013**

SR. NO.	PARTICULARS	31.03.2013 Rupees	31.03.2012 Rupees
1	<b>CONTINGENT LIABILITIES AND COMMITMENTS</b> (To the extent not provided for)		
	(i) Contingent Liabilities		
	(a) Claim against the company not acknowledged as debts	15,40,388	15,40,388
	(b) Guarantees / Letters of Credit	58,60,673	1,62,24,412
	(c) Other Money for which the company's commitments / liability	NIL	NIL
	(ii) Commitments		
	(a) Estimated amount of contracts remaining to be executed on Capital account and not provided for	48,99,763	4,42,499
	(b) Uncalled Liability on Shares and other Investments partly paid	NIL	NIL
	(c) Other Commitments Counter Gurantee the amount of Dividends proposed to be distributed to Equity Shareholders for the period amount per Equity Shares	4	3
	(d) Issue of Securities for specific purpose	NIL	NIL
	(e) Detail of any assets other than Fixed Assets and Non Current Investments which do not have a value on Realisation in the Ordinary Course of Business at least Equal to the amount at which they are stated.	NIL	NIL
2	<b>PAYMENT TO THE AUDITORS AS</b>		
	For Taxation Matters	30,000	30,000
	For Company Law Matters	NIL	NIL
	For Management Services	20,000	10,000
	For Other Services	8,000	5,000
	For Statutory Audit Fees	55,000	50,000
	For Reimbursement Of Expenses	20,253	14,762
	TOTAL	<u>1,33,253</u>	<u>1,09,762</u>
3	Value of Imports calculated on C.I.F basis by the Company during the Financial year in respect of		
	Raw Materials	7,49,69,438	7,38,42,576
	Componenrts And Spare Parts	6,52,385	12,23,321
	Capital Goods	61,62,450	40,17,104
	TOTAL	<u>8,17,84,273</u>	<u>7,90,83,001</u>
4	Expenditure in Foreign Currency during the Financial year on account of Books & Periodicals	NIL	11,756
	Membership Fees	NIL	86,791
	Foreign Travelling	1,42,027	97,050
	Fees and Taxes	NIL	NIL
	TOTAL	<u>1,42,027</u>	<u>1,95,597</u>
5	The amount remitted during the year in Foreign currency on account of Dividends	NIL	NIL
6	Earning In Foreign Exchange		
	Export of Goods on FOB Basis	1,49,671	39,20,465
	Interest and Dividends	NIL	NIL
	Other Income	NIL	NIL
	TOTAL	<u>1,49,671</u>	<u>39,20,465</u>

SR. NO.	PARTICULARS	31.03.2013 Rupees	31.03.2012 Rupees
7	Break up of Consumption		
	a) Raw Materials		
	Total Consumption	<u>24,85,49,631</u>	<u>20,77,20,199</u>
	Indigenous	17,67,88,432	11,88,44,947
	%	71.13	57.21
	Imported	7,17,61,199	8,88,75,252
	%	28.87	42.79
	b) Spare Parts And Components		
	Total Consumption	<u>1,03,76,189</u>	<u>52,94,242</u>
	Indigenous	97,58,263	46,43,037
	%	94.04	87.70
	Imported	6,17,926	6,51,205
	%	5.96	12.30
8	Consumption Of Raw Materials		
	a) Cobalt	1,89,21,032	1,62,13,893
	b) Tanbc	52,63,600	49,38,365
	c) Tungsten Carbide Powder	2,67,34,117	2,16,39,508
	d) Blue Tungsten Oxide	1,98,90,690	4,12,33,471
	e) Fused Tungsten Carbide Powder	-	36,78,172
	f) Ammonium Para Tungstate	8,97,12,789	4,28,90,395
	g) Yellow Tungsten Oxide	6,29,60,940	3,54,81,021
	h) Cemented Carbides	1,95,16,889	3,19,19,185
	i) Others	55,49,574	97,26,189
	TOTAL	<u>24,85,49,631</u>	<u>20,77,20,199</u>
9	Turnover		
	Tungsten & Tungsten Carbide Products		
	a) Manufactured		
	i) Sintered	36,96,88,430	25,85,40,211
	ii) Intermediary Products	7,07,99,328	7,13,94,175
	b) Purchased		
	i) Resale Of Raw Material	11,88,242	8,99,513
	TOTAL	<u>44,16,76,000</u>	<u>33,08,33,899</u>
10	Opening/Closing Stock		
	Tungsten & Tungsten Carbide Products		
	a) Manufactured	1,98,08,201	1,21,09,619
	b) Purchased	NIL	NIL
	TOTAL	<u>1,98,08,201</u>	<u>1,21,09,619</u>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 IN ACCORDANCE WITH THE REQUIREMENT UNDER CLAUSE 32 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE.**

PARTICULARS	(Rupees in Lacs)	
	Year Ended 31.03.2013	Year Ended 31.03.2012
A. Cash Flow from Financing Activities		
Net Profit Before Tax and Extraordinary items	<b>556.80</b>	448.72
Adjustment		
Depreciation	40.14	37.22
Loss on Sale of Fixed Assets (Net)	1.58	0.51
Interest	30.11	36.27
Operating Profit before Working Capital	<b>71.83</b>	74.00
Adjustment		
Trade & other receivables	(132.90)	(246.42)
Inventories	(172.59)	(108.42)
Trade payable	332.72	64.94
Cash Generated from Operation	<b>27.23</b>	(289.90)
Interest Paid	(35.00)	(39.47)
Direct Tax Paid	(178.00)	(137.00)
Dividend & Distribution Tax	(100.54)	(74.91)
Extraordinary Items	<b>(313.54)</b>	(251.38)
Net Cash from Operating Activities	<b>342.32</b>	(18.56)
	<b>(27.93)</b>	(1.07)
	<b>314.39</b>	(19.63)
B. Cash Flow from Investing activities		
Purchase of Fixed Assets	(161.39)	(111.98)
Sale of Fixed Assets	0.74	1.00
Interest Received	4.89	3.21
Net Cash used in Investing Activities	<b>(155.76)</b>	(107.77)
C. Cash Flow from Financing Activities		
Proceeds from Bank Borrowing	(119.77)	(56.84)
Repayment of Long Term Loan	(47.13)	39.63
Proceeds from Short Term Borrowing	14.87	14.75
Net Cash used in Financing Activities	<b>(152.03)</b>	(2.46)
Net Changes in Cash & Cash Equivalent(A+B+C)	<b>6.60</b>	(129.86)
Net Cash & Cash Equivalent on 01.04.2012	<b>92.64</b>	222.50
Net Cash & Cash Equivalent on 31.03.2013	<b>99.24</b>	92.64
	<b>(6.60)</b>	129.86

For Order of the Board of Directors

Place : Mumbai  
Date : 30th May, 2013.

**J.C. Bhatia**  
Managing Director

# CERTIFICATE



Management system as per  
**DIN EN ISO 9001 : 2008**

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

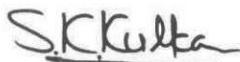
**RAPICUT CARBIDES LIMITED**  
119, G.I.D.C. Industrial Estate,  
Ankleshwar – 393 002, Gujarat,  
India

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

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

Certificate Registration No. **04 100 990693-E3**  
Audit Report No. **2.5-062/1999**

Valid until **04.08.2014**  
Valid from **05.08.2011**  
Initial certification **02.06.1999**



Certification Body  
at TÜV NORD CERT GmbH

Mumbai, **25.07.2011**

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

TÜV NORD CERT GmbH

Langemarckstrasse 20

45141 Essen

[www.tuev-nord-cert.com](http://www.tuev-nord-cert.com)



TGA-ZM-07-06- 00

## PROXY FORM

**Registered Office :**

Rapicut Carbides Ltd.  
 Plot No. 119,  
 GIDC Industrial Area,  
 Ankleshwar - 393 002 (Gujarat)

I/We \_\_\_\_\_ of  
 \_\_\_\_\_ being a  
 Member/Members of the above named Company, hereby appoint \_\_\_\_\_  
 \_\_\_\_\_ of \_\_\_\_\_ or failing him  
 \_\_\_\_\_ of  
 \_\_\_\_\_ as my/our Proxy to vote for me/us at the 36th Annual General  
 Meeting of the Company to be held on Saturday, 7th September, 2013 and at any adjournment thereof \_\_\_\_\_  
 Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Affix Re. 1/- Revenue Stamp
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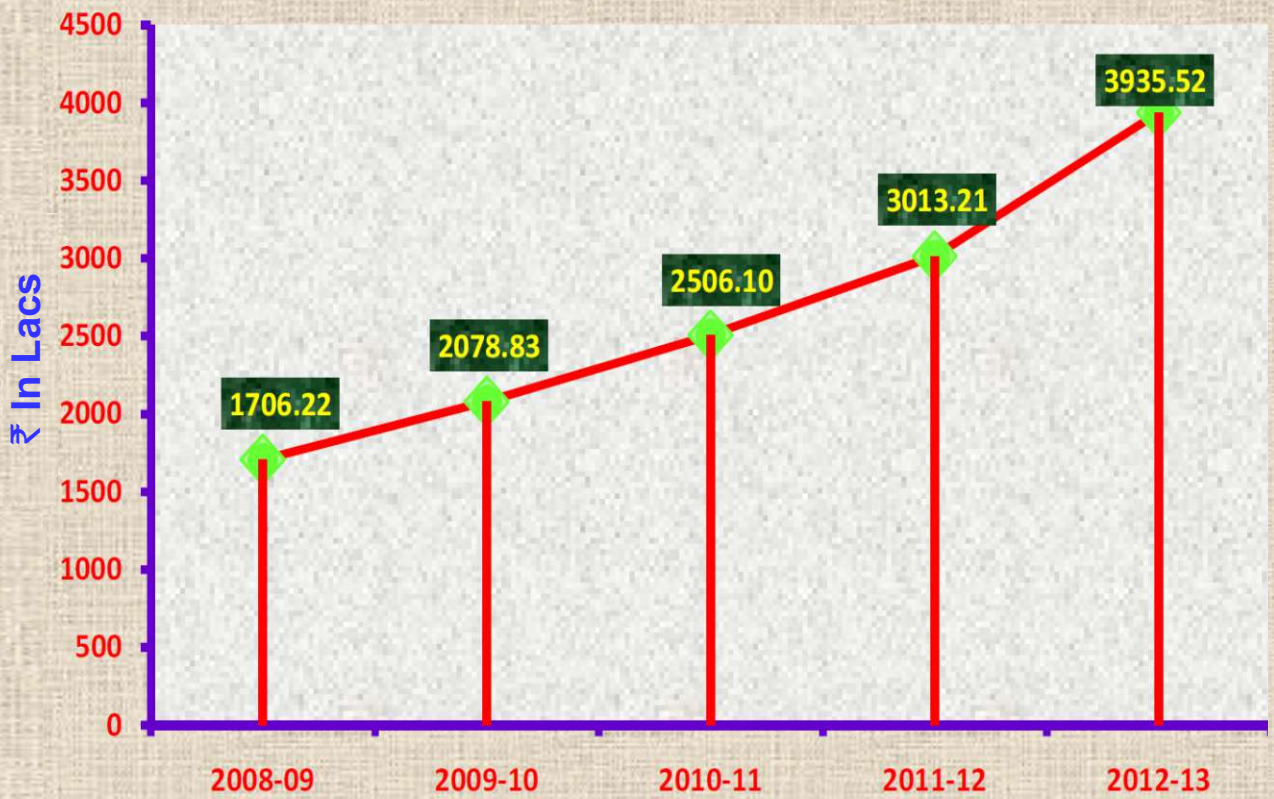
FOLIO NO. : \_\_\_\_\_

DP ID/Client ID No. : \_\_\_\_\_

**Notes :**

- [1] The Proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- [2] In case of joint holders all the Members should SIGN this Form.

### Sales & Other Income



### Growth In Profit



BOOK POST  
To,

From :

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

