

**NOTICE**

Notice is hereby given that the THIRTYFIFTH ANNUAL GENERAL MEETING of the Members of RAPICUT CARBIDES LIMITED will be held on Saturday, 22nd September, 2012, 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, 2012 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors & Auditors thereon.
- 2) To declare dividend on Equity Shares for the year ended 31-03-2012.
- 3) To appoint a Director in place of Shri. L.M.Bijlani, who retires by rotation and being eligible, offers himself for reappointment.
- 4) To appoint a Director in place of Shri. J.C.Bhatia, 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 Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting & to fix their remuneration.

**SPECIAL BUSINESS:**

- 6) To revise the remuneration of Shri. Jagdish C. Bhatia as Managing Director and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of section 198, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force) and Schedule XIII thereto approval be and is hereby, accorded to the upward revision in the remuneration payable to Shri. Jagdish C. Bhatia as Managing Director, with effect from 1st April, 2012 for the remaining period of his term as Managing Director i.e., till 31st July 2013, as set out in the Explanatory Statement annexed to the Notice convening this Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company or a duly constituted Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- 7) To revise the remuneration of Shri. Chandrashekhar alias Chander J. Bhatia as Executive Director and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT in accordance with the provisions of section 198, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force) and Schedule XIII thereto approval be and is hereby, accorded to the upward revision in the remuneration payable to Shri. Chandrashekhar alias Chander J. Bhatia as Executive Director, with effect from 1st June, 2012 for a period of 12 months upto 31st May, 2013, as set out in the Explanatory Statement annexed to the Notice conveying this Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company or a duly constituted Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to Section 309 (4) and other applicable provisions, if any, of the Companies Act, 1956 the consent of the Company be and is hereby accorded to the payment of commission to the Directors (other than the Managing/Wholtime Directors) not exceeding 1% (one percent) per annum of the net profits of the Company, calculated in accordance with the provisions of the said Act, such commission being divisible amongst the aforesaid Directors, in such proportion and in such manner as may be decided by the Board of Directors of the Company, for a period of five financial years of the Company, commencing from the financial year ending 31st March, 2013."

Registered Office:  
Plot No.119, GIDC,  
Ankleshwar-393002.  
Date: 28th July, 2012

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 Tuesday, 18th September, 2012 to Friday, 21st September, 2012 (both days inclusive).
4. Relevant documents referred to in the Notice are open for inspection at the Registered Office of the Company from 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 after 22nd September, 2012 to those Members whose names appear on the Register of Members on 21st September, 2012 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. The next unclaimed Dividend for the year 2007-08 will be transferred in the Investor Education and Protection Fund in the year 2014-15.  
Members who have not encashed their dividend warrant(s) for the Financial Years ended 31st March 2008 to 31st March, 2011 are requested to seek issue of Duplicate Warrants by writing to the Company's Share Department at its Registered Office.
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 Bombay Stock Exchange Limited (BSE). The Company has paid the listing fees for the financial year 2012-13 to BSE. The Company has also paid custodial fees for the year 2012-13 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. Members are requested to bring their copy of Annual Report to the Annual General Meeting.
13. Members are requested to register their e-mail addresses with the Company for receiving the Report and Accounts, Notices etc. in electronic mode, as a measure of support to the Green Initiative in Corporate Governance of the Ministry of Corporate Affairs, Government of India.

**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 and 7:**

Shri. Jagdish C. Bhatia has been the Managing Director of the Company since 1st August, 2008. The term of Office of Shri Jagdish C. Bhatia as Managing Director of the Company will expire on 31st July, 2013.

Shri. Chandrashekhar alias Chander J. Bhatia has been the Whole-time Director, designated as Executive Director since 1st June, 2009, and his term of Office will expire on 31st May, 2014.

The present proposal is to seek the members' approval for the revision of the remuneration payable to Shri. Jagdish C. Bhatia as Managing Director and Shri. Chandrashekhar alias Chander J. Bhatia as Whole-time Director, designated as Executive Director in line with the prevailing corporate trend and comparable with the remuneration packages being offered to the CEOs and EDs of the peer companies. More so in the case of Shri. Jagdish C. Bhatia considering his long experience together with leadership qualities and noteworthy managerial capability as reflected in the sustained growth of the Company from year to year and in the case of Shri. Chandrashekhar alias Chander J. Bhatia as Whole-time Director, designated as Executive Director, considering the background of his highly involved experience and association with the Company and proving his excellence in several key departments in the Company.

a) Broad particulars of the proposed revised remuneration payable to Shri. Jagdish C. Bhatia and Shri. Chandrashekhar alias Chander J. Bhatia are as under:-

(i) Salary, Perquisites and Allowances in the case of Shri Jagdish C. Bhatia, Managing Director:

(Rupees in Lacs per annum)

	As on 31st March, 2012	Proposed from 1st April, 2012
(A) Salary	10.20	12.00
(B) Perquisites and allowances	10.80	13.00

(ii) Salary, Perquisites and Allowances in the case of Shri. Chandrashekhar alias Chander J. Bhatia, Whole-time Director, designated as Executive Director:

(Rupees in Lacs per annum)

	As on 31st March, 2012	Proposed from 1st April, 2012
(A) Salary	6.84	8.65
(B) Perquisites and allowances	6.16	7.85

**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 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 Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent there 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.

**b) Commission:**

In addition to the salary, perquisites and allowances as above, Shri. Jagdish C. Bhatia and Shri. Chandrashekhar alias Chander J. Bhatia will also be entitled to receive commission on net profits. The commission payable to them for each financial year, shall be in the ratio of their respective salaries (excluding perquisites and allowances), and the overall remuneration (including commission to both of them) shall not exceed 10% (Ten percentage) of the net profit of the Company as computed in the manner referred to under section 198(1) of the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof.

**MINIMUM REMUNERATION**

In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment, the Managing Director and the Executive Director shall be paid remuneration by way of salary and perquisites as set out above, as minimum remuneration.

The above may be treated as an abstract of the terms of revision of overall remuneration payable to Shri. Jagdish C. Bhattia and Shri. Chandrashekhar alias Chander J. Bhatia under section 302 of the Companies Act, 1956.

Except Shri. Jagdish C. Bhatia and Shri. Chandrashekhar alias Chander J. Bhatia no other Director is concerned or interested in these Resolutions.

**Item No. 8:**

The Shareholders at their meeting held on 28th September, 2008 had approved under the provisions of Section 309 of the Act, the payment of Commission to the non whole-time Directors of the Company not exceeding 1% (one percent) per annum of the net profits of the Company for a period of 5 years commencing from the financial year ending 31st March, 2012.

The Board of the Company comprises of highly experienced and proficient Directors who have been devoting their valuable time in guiding the Company with their mature advice and direction. It will be fit and proper to compensate them by payment of commission on net profits of the Company.

It is therefore proposed that the Directors of the Company, other than Managing / Whole-time Directors be paid, in addition to the sitting fees and reimbursement of expenses for attending the meetings of the Board and/or Committees thereof, commission of 1% (one percent) on the net profits of the Company, calculated in accordance with the applicable provisions of the Companies Act, 1956 for a period of five financial years commencing from the financial year ending 31st March, 2013.

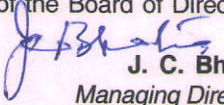
The proposed Special Resolution seeks to obtain the approval of the shareholders for the said payment of commission to Directors.

All the Directors, except Shri. Jagdish C. Bhatia and Shri. Chandrashekhar alias Chander J. Bhatia are concerned or interested in passing the this Resolution.

The Board commends the Resolutions set out at item no. 6, 7 and 8 of the Notice for your approval.

Registered Office:  
Plot No.119, GIDC,  
Ankleshwar-393002.  
Date: 28th July, 2012

By Order of the Board of Directors

  
**J. C. Bhatia**  
Managing Director