

Rapicut Carbides Limited

AN ISO 9001:2008 COMPANY

Rapicut



37

**THIRTY SEVENTH
ANNUAL REPORT**

2013-14



Quality Policy

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

The spirit of excellence is the corner stone of all we do. Quality with us is a way of life.

Value for money to the customer, continuous improvement and moving towards zero defect is our consistent endeavour.

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

J. C. Bhatia
Managing Director

BOARD OF DIRECTORS

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

Management Team

A. R. Master
Chief Financial Officer

Kamlesh M. Shinde
Company Secretary & Compliance Officer

A. C. Gandhi
Sr. Manager (Production)

Sanjay Kumar
Sr. Manager (Marketing)

Sr. Technical Consultant
P.A. Kale

Technical Consultant
D.K. Shastri

Marketing Consultant
R.V. Krishnan

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.

7, Shivaji Housing Society,
Pune - 411 016.

Sales Representative
Bangalore

37th ANNUAL REPORT

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NOTICE

Notice is hereby given that the THIRTYSEVENTH ANNUAL GENERAL MEETING of the Members of RAPICUT CARBIDES LIMITED will be held on Saturday, 20th September, 2014 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, 2014 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 31-03-2014.
3. To appoint a Director in place of Shri. C.G.Cholera, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s. D. N. Shukla & Company, Chartered Accountants, the retiring Auditors as Auditors of the Company to hold office for the term of 3 years i.e. from the conclusion of 37th Annual General Meeting until conclusion of the 40th Annual General Meeting.

SPECIAL BUSINESS

- 1) 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 196, 197, 198 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time in force read with Schedule V to the Companies Act, 2013, subject to the approval of the Central Government, if required, and such other sanctions and approvals as may be necessary, the consent of the Company be and is hereby accorded to the re-appointment of Shri.Chandrashekhar alias Chander J.Bhatia as a “Wholetime Director” designated as “Executive Director” of the Company, for a period of five years commencing from 1st June, 2014 upon the terms and conditions as set out hereunder, with further liberty to the Board of Directors to alter and vary the said terms and conditions, in such manner as may be agreed to between the Directors and Shri. Chandrashekhar alias Chander J. Bhatia.

Basic Salary

Basic Salary of Rs. 10,83,000/- (Rupees ten lacs eighty three thousand only) 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 drawn.

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.9,67,000/- (Rupees nine lacs sixty seven thousand only) 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.

Commission

In the event of adequate profit in the financial year and as may be 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 Executive Director not exceeding the ceiling in respect of overall remuneration as prescribed under Section 196, 197 & 198 of the Companies Act, 2013

Other Benefits :

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

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 Executive 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 Executive Director shall not directly or indirectly engage himself in any employment or business without the previous sanction of the Board of Directors.
- v) The Executive Director 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.

The above may be treated as an abstract of the terms of overall remuneration payable to Shri. Chandrashekhar alias Chander J. Bhatia under section 197 of the Companies Act, 2013.

The Board recommends the re-appointment of Shri. Chandrashekhar alias Chander J. Bhatia as the Executive 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: 9th August, 2014.

By Order of the Board of Directors

J. C. Bhatia
Managing Director

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 102(2) of the Companies Act, 2013 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 Wednesday, 3rd September, 2014 to Friday, 5th September, 2014 (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 before 18th October, 2014 to those members whose names appear on the Register of Members as on 2nd September, 2014 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 124 of the Companies Act, 2013, 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 up to 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 125 of The Companies Act, 2013. Please note that as per Section 125 of the Companies Act, 2013, 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 2014-15 to BSE. The Company has also paid custodial fees for the year 2014-15 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
11. Pursuant to the provisions of Section 72 of the Companies Act, 2013, 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.
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.

Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 37th Annual General Meeting(AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited(CDSL):

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on September 14, 2014 (9.00 am) and ends on September 16, 2014 (6.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 02, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha -numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

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

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

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013.**

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

Item No. 1

Shri.Chandrashekhar alias Chander J.Bhatia (Shri.C.J.Bhatia) , was appointed by the Board of Directors as a whole time Director designated as “Executive Director” of the Company, for a period of 5 years with effect from 1st June, 2009 to 31st May 2014.

Shri.C.J.Bhatia has been discharging his functions as an Executive Director very diligently and with full sense of responsibility under the direction of the Managing Director. He has contributed towards achieving cost saving goals particularly in the area of high value raw material sourcing.

The “nomination and remuneration committee” constituted pursuant to Section 178 (1) of the Companies Act 2013 and Clause 49 (iv) of the Listing Agreement has recommended the re-appointment of Shri. C J Bhatia for a term of 5 years with effect from 1st June 2014 at upward revised remuneration. His appointment is to be approved by the Shareholders by passing a Special Resolution.

Considering the background, competence and experience as also his association with the Company, the re-appointment of Shri.C.J.Bhatia as an Executive Director will be beneficial to the Company.

The resolution as set out in this item in the accompanying notice is accordingly commended for the approval of the Members.

The resolution along with the above explanatory details may be treated as an abstract of the terms and conditions of appointment of Shri.Chandrashekhar alias Chander J.Bhatia under section 190 of Companies Act, 2013.

Registered Office:
Plot No.119, GIDC,
Ankleshwar - 393002.
Date: 9th August, 2014.

By Order of the Board of Directors

J. C. Bhatia
Managing Director

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their 37th Annual Report and Audited Accounts of the Company for the financial year ended 31st March, 2014.

1. FINANCIAL RESULTS

(Rs. in Lacs)

	Year ended 31-03-2014	Year ended 31-03-2013
Sales and other income	4317.76	4421.88
Less : Excise Duty	467.09	486.36
Sales and Other Income (Net)	3850.67	3935.52
Profit before depreciation and tax (including deferred tax)	410.64	596.94
Profit after depreciation and tax	239.39	358.77
Add: Profit brought forward from previous year	549.63	364.33
Less : (i) Prior period adjustment	2.49	(12.93)
(ii) Extra Ordinary Item	1.46	--
Profit available for appropriation	785.07	710.17
Appropriations :		
Proposed Dividend	64.45	85.94
Tax on Proposed Dividend	10.45	14.60
Transfer to General Reserve	40.00	60.00
Profit carried to Balance Sheet	670.15	549.63

2. DIVIDEND

Your Directors are pleased to recommend a dividend of Rs.1.20 (12%) per equity share for the year 2013-14 (Previous year Rs.4.00 per equity share i.e.40%), subject to the approval of shareholders. This works out to 25% Dividend on the Pre-Bonus Capital. If approved, the dividend will absorb Rs.74.90 Lacs, including Corporate Dividend Tax.

3. TRANSFER TO RESERVES

The Company proposes to transfer Rs.40.00 Lacs to the General Reserve. An amount of Rs.670.15 Lacs is proposed to be retained in the profit and loss account.

4. OPERATING PERFORMANCE

- ❖ Business in the Financial Year 2013-14 was impacted by general slow down in the economy resulting in sluggish manufacturing activity in Company's several client industries.
- ❖ Consequently competition sharpened in the market place depressing Company's margin significantly although total drop in sales (3850.67 Lacs) was very marginal at 2% compared to sales (3935.52 Lacs) in the previous year.

5. OUTLOOK

- (i) Around the close of FY 2013-14 raw material prices rose though not significantly. In the first quarter ended 30th June 2014, overall business scenario has not shown any perceptible improvement over the previous year.
- (ii) To counter and overcome the challenging business climate, Your Company has reworked its internal performance efficiency parameters as also focused marketing strategy.
- (iii) The said measures are expected to improve working results in the subsequent quarters of the current Financial Year.

6. DIRECTORS

In accordance with the provisions of the Companies Act 2013, Shri.C.G.Cholera is due to retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

7. FIXED DEPOSITS

Out of the total fixed deposits with the Company, all deposits due for repayment as on 31st March 2014, 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 is getting the benefit of Energy Saving from the installation of energy efficient equipment / machinery, imported from China wherever the same is installed in the production area.

(B) Technology absorption and upgradation :-

Company continues to engage with experts for assistance in drawing and working on prioritized areas to work out process improvements and up-gradation of technology as an on-going activity.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

Company has succeeded in stepping up exports in the F.Y. 2013-14 and hopes to extend this further in the year 2014-15.

	(Rs. in Lacs)	
	2013-14	2012-13
Foreign Exchange earned	33.05	1.49
Foreign Exchange outgo	304.03	819.26

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 134(c) of the Companies Act 2013, 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, 2014 and the Profit for the year ended 31st March, 2014.
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The Annual Accounts have been prepared on a going concern basis.

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.

13. CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY

Provisions of Clause 49 of the Listing Agreement are 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 also 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.

16. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company continues to maintain amicable and harmonious relations with all levels of its workforce.

17. ACKNOWLEDGEMENT

Your Directors wish to place on record their sense of satisfaction and appreciation of the wholesome support and co-operation from the Company's bankers, customers and suppliers.

For and on behalf of the Board

Place : Mumbai
Date : 9th August, 2014

C.G. Cholera
Director

J. C. Bhatia
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

i) INDUSTRY OUTLOOK

The year 2013-14 was quite challenging across various direct impact centres to which Your Company is exposed. Sluggish demand and rising raw material basic prices coupled with volatility in FOREX Rates significantly impacted margins. While the demand outlook is showing signs of positive movement now, cost optimisation and focus on overall internal efficiencies will be the key to perceptible improved financial results in 2014-15. To this end Your Company is engaged in concerted efforts.

ii) SEGMENT-WISE, PRODUCT-WISE PERFORMANCE

The Company has only one Reportable Business Segment "Tungsten and Tungsten Carbide Products" as Primary Segment in terms of Accounting Standard (AS-17) "Segment Reporting" specified in the Company's (Accounting Standard) Rules, 2006.

iii) RISKS AND CONCERNS

Risks of a variety of depth and dimension are unavoidably inherent in Company's business. Learning lessons from past experience and charting day to day ways and means to effectively deal with the course of events, followed by timely action helps in minimising the effect of any adverse fallout of seemingly potential risks. Your Company stays alert to sensing and sizing any forcible risk threat and handles it with as effective a manner as circumstances permit.

iv) OPPORTUNITIES AND THREATS

Judging by the size of the Industry in terms of products range for different application areas but within the same segment, very good opportunities for growth are available. The route can be backward integration as also new basket of hard metal products.

The prospect of threat from imports, particularly from Chinese producers is generally there but your Company has the resilience to effectively counter such threats on the back of superior quality and established brand equity.

v) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

vi) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company's Sales Turnover for the financial year ended March 31, 2013 was lower at Rs. 3850.67 Lakhs as compared to Rs. 3935.52 Lakhs in the previous year, registering a decline of 2%.

Total expenses for the year were marginally higher at Rs. 3498.62 Lakhs as against Rs.3378.71 Lakhs in the previous year.

Profit Before Tax decreased to Rs. 350.59 Lakhs during the year as against Rs. 543.86 Lakhs in the previous year. The decrease in Profit Before Tax translates to 12.94% due to increase in the input costs and stiff competition thwarting efforts to increase sales realization.

Profit After Tax for the year was Rs. 235.43 Lakhs as against Rs. 345.83 Lakhs in the previous year which is 6.11% of Sales in F.Y. 2013-14.

vii) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

At the end of financial year there were 95 employees under the permanent rolls and a few under contract. We have an on going arrangement with labour supplier organisations for our plant located at Ankleshwar.

The detailed break up of the employees is as under:

Sr. No.	Name of Department	No. of Staff as on 01/04/2013	No. of Staff as on 31/03/2014
1	Directors	2	2
2	Accounts, Personnel & Admin, Secretarial, EDP, Stores & Purchases	13	15
3	Production (Staff & Workers) R&D and Spray Dry Operators, Maintenance	68	66
4	Sales	12	12
	Total	95	95

Sr. No	Particulars	No. of Employees
1	Skilled	44
2	Semi-Skilled	12
3	Un-Skilled	Nil
	Sub-Total	56
4	Contract Labour	41
	Total	97

CORPORATE GOVERNANCE REPORT

{Annexure to the Directors' Report}

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company is committed to and continues to practise good Corporate Governance. The core principles of Corporate Governance are:

1. Lay emphasis on integrity and accountability,
2. Incorporate several practices aimed at a high level of business ethics and effective supervision and
3. Provide for enhancement of value for all stakeholders.

RCL's Corporate Governance conforms to all regulatory and legal requirements. The basic philosophy behind an endeavour towards better Corporate Governance is to enrich the values for stakeholders by achieving business excellence.

2. BOARD OF DIRECTORS

Your Board of Directors, closely monitors the performance of the Company and Management, approves the plans, reviews the strategy and determines the remuneration of the key managerial personnel based on performance. Your Board ensures statutory and ethical conduct with high quality financial reporting. It holds itself accountable to the shareholders as well as other stakeholders for the long-term well-being of the Company.

(A) Composition of Board

- (i) The management of your Company is entrusted to the Managing Director, who is assisted by a Management Core Team and Senior Executives having rich experience and expertise in their respective fields.
- (ii) None of the directors on the Board is a member of more than 10 committees or a chairman of more than 5 committees (as stipulated in Clause 49 of the Listing Agreement), across all the Indian Public Companies, in which he is a Director. The necessary disclosure regarding the committee position has been made by the Directors.
- (iii) The names and categories of the Directors on the Board, their attendance at Board Meetings and last Annual General Meeting held during the year and number of directorships and committee chairmanship / membership held by them in Public & Private Limited Companies are given herein below. Directorships do not include alternate directorship, Section 25 Companies and Companies incorporated outside India. For reckoning the maximum number of chairmanships / memberships, only two committees viz. 'Audit Committee' and 'Investors' Grievance / Share Transfer Committee' of the Board are considered.

Name of Director (s)	DIN	Category	Number of Directorships in Other Companies	Number of Membership in *Committees (Chairmanship)	Attendance in Board Meetings held in F.Y. 2013-14 (physical)	The last AGM Attended; 'Yes' or 'No'
			As on 31st March, 2014			
Shri. Jagdish Chetandas Bhatia	250737	E & NID	1	2	6	Yes
Shri. Chandrashekhar Jagdish Bhatia	2644731	E & NID	-	1	5	Yes
Shri. Chetan Gopaldas Cholera	131143	NE & NID	2	1	5	No
Shri. Lalit Mohan Bijlani		NE & NID	5	1	5	Yes
Shri. Dhananjay Digambar Kanitkar	3523774	NE & ID	-	1	5	Yes
Shri. Bhumitra Vinodchandra Dholakia	1871816	NE & ID	2	1	5	No

* E & NID: Executive and Non-independent Director* NE & NID: Non-Executive and Non-independent Director

* NE & ID: Non-Executive and Independent Director

*including Rapicut Carbides Limited.

(iv) Executive Director:

Except, Shri. J.C. Bhatia & Shri. C.J. Bhatia, the remaining four Directors are Non-Executive Directors and out of them, two are 'Independent Directors'.

(v) Independent Directors:

- Shri. B. V. Dholakia, a professional, having vast experience in the Finance, Secretarial & Legal and classified as 'Non-executive and Independent Director'.
- Shri. D. D. Kanitkar, is a 'Non-executive and Independent Director'.

(vi) Non-Independent Directors:

Shri. Lalit Bijlani & Shri. C G Cholera, are Non-Independent Directors'.

The 'Board of Directors' is constituted with appropriate combination of Independent, Non-independent Directors, Executive and Non-executive Directors as per Clause 49 of the Listing Agreement with the Stock Exchange.

Profile of Directors seeking Appointment / Re-appointment in 37th Annual General Meeting	
Particular under	
Name	Shri. Chandrashekhar Jagdish Bhatia
Father's Name	Shri. Jagdish Chetandas Bhatia
Date of Birth	22-05-1959
Director Identification Number	2644731
Date of Last Appointment	01-06-2009
Qualification	B.Com
Association	Since 2002 with Rapicut Carbides Limited
Category	Executive and Non-Independent
Shareholding in the Company	57687 Equity Shares.
Other Directorship	-NIL-
Committee Membership	-NIL-
Name	Shri. Chetan Gopaldas Cholera
Father's Name	Shri. Gopaldas Madhavji Cholera
Date of Birth	12-06-1966
Director Identification Number	00131143
Date of Last Appointment	28-04-2009
Qualification	Diploma in Mechanical Engineering.
Association	Since 2009 with Rapicut Carbides Limited
Category	Non-Executive and Non-Independent
Shareholding in the Company	256212 Equity Shares.
Other Directorship*	1. Pragya Equities Pvt. Ltd. 2. PE Multi Commodities Pvt. Ltd.
Committee Membership ^{\$}	1.

* Directorship means directorship in Indian Public Limited Companies.

\$ Membership means membership in Committees of Directors of Indian Public Limited Companies.

*Committee Membership means Membership in Audit Committee & Investors Grievances & Share Transfer Committee.

(B) Non-Executive Directors' Compensation and Disclosures

Non-Executive Directors (except those who are in whole-time employment of the Company) are paid sitting fees for attending Board Meetings and 1% commission on profit is paid to all the Directors. The details of compensation paid to them are disclosed under point no 4 of this report.

(C) Board Meeting(s) During 2013-2014

In all, Six Board Meetings were held during F.Y. 2013-2014 on the following dates:

Board Meeting (s)	I	II	III	IV	V	VI
Dates	30/05/2013	27/07/2013	07/09/2013	24-09-2013	26-10-2013	12.02-2014
Start Timing	5.00 PM	11.30 AM	3.00 PM	3.00 PM	11.30 AM	4.30 PM
Venue	Mumbai	Mumbai	Ankleshwar	Mumbai	Mumbai	Mumbai

The details of attendance of each of the directors at the Board Meeting(s) are given in the table at Point No. 2A.

(D) Board Meeting Procedure

The notice convening Board Meeting is sent to each of the directors along with relevant papers well in advance of the meeting date. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. All significant developments and material events are brought to the notice of the Board either as a part of the agenda papers in advance of the meeting or by way of presentations and relevant documents during the meeting. The Managing Director briefs the Board on the financial performance of the Company during the previous quarter and trend analysis as compared to the budgets, operational performance and market scenario.

The Board has complete access to all the information of the Company. The following information are provided to the Board as and when occasion arises:

1. Annual operating plans, budgets and any updates.
2. Capital budgets and any updates.
3. Quarterly results of the Company and its operating divisions or business segments.
4. Minutes of meetings of Audit Committee & other committees of the Board.
5. The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer & Company Secretary.
6. Show cause, demand, prosecution notices & penalty notices which are materially important.
7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
8. Any material default by the Company in financial obligations or substantial non payment for goods sold by the Company.
9. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
10. Details of any joint venture or collaboration agreement if any.
11. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
12. Significant labour problems & their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.
13. Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business.
14. Quarterly details of foreign exchange exposure & the steps taken by the Management to limit the risks of adverse exchange rate movement, if material.
15. Non-Compliance by the Company with any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

(E) Code of Conduct

The Company has laid down a Code of Conduct, under Clause 49 of the Listing Agreement, for all its Board Members and Senior Management Personnel for avoidance of conflicts of interest. The declarations with regard to compliance with the Code of Conduct have been received for the year 2013-14 from all the Board Members and Senior Management Personnel.

There were no material financial and commercial transactions, in which Board Members and Senior Management Personnel had personal interest, which could lead to potential conflict of interest with the Company during the year. The Code of Conduct is also available on Company's website.

3. AUDIT COMMITTEE

- A) The Company has an Audit Committee at the Board level, with the powers and roles in accordance with the requirements of the Listing Agreement and the Companies Act, 1956. The Committee acts as link between the Management, Auditors and the Board of Directors. The existing Audit Committee consists of the following members:

Sr. No.	Name of Director(s)	Acting in the Committee as	Category under clause 49 of the Listing Agreement
1	Shri. B V Dholakia	Chairman	Independent & Non-executive
2	Shri. D D Kanitkar	Member	Independent & Non-executive
3	Shri. Jagdish C Bhatia	Member	Non-Independent & Executive

The Company Secretary is the Secretary to the Audit Committee.

- B) Details of the Audit Committee Meetings held during 2013-14 are as follows :

Audit Committee Meeting(s)	I	II
Dates	26-10-2013	12-02-2014
Start Timing	10.30 AM	3.30 PM
Venue	Mumbai	Mumbai
Attended by Members	Shri. B.V. Dholakia Shri. D.D. Kanitkar Shri. J.C. Bhatia	Shri. B.V. Dholakia Shri. D.D. Kanitkar Shri. J.C. Bhatia

The meetings of the Audit Committee were also attended by the Managing Director who is also a Member of Audit Committee and the Statutory Auditor attended the meeting held on 26-10-2013.

All the members of Audit Committee are financially literate and majority of them have accounting and financial management expertise.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews :

1. Financial Performance, periodical results and Management Discussion on the financial trend,
2. Significant Related Party Transactions,
3. Management letters issued / presentations made by the Statutory Auditors on internal controls and system effectiveness,
4. Reports of the Internal Auditor relating to internal controls and system effectiveness,
5. Recommendation of appointment / re-appointment of the Auditors.

C) Terms of Reference

The terms of reference of this Committee include matters specified in the Companies Act, 1956, Listing Agreement and those specified by the Board in writing. Besides having access to all required information within the Company, the Committee may obtain external professional advice, whenever required. The Committee acts as a link amongst the Management, Auditors and the Board of Directors. It is authorised to select and establish accounting policies, to review reports of Statutory and Internal Auditors, co-ordinate with them to discuss their observations, suggestions and to strengthen the Internal Control System within the Company. The Committee is empowered to review the remuneration payable to the Auditors.

4. MANAGERIAL REMUNERATION

Remuneration to the Managing Director, Shri. J.C. Bhatia

As per the Employment Agreement dated August 1, 2009, and approval of the Board by way of Board resolution passed on July 27, 2013, the details of remuneration paid during the year to the Managing Director is as follows;

Salary	Allowance & Perquisites	Company's contribution to funds	Total
12.00	5.90	4.24	22.14

Notes :

- α) Company's contributions to fund include Superannuation Fund and Provident Fund and exclude the accruals for gratuity as it is funded on the basis of an actuarial valuation for the Company as a whole.
- β) The Company did not have any Stock Option Scheme.

Remuneration to Executive Director, Shri. C.J. Bhatia.

As per the Employment Agreement dated June 1st, 2009, and approval of the Board by way of Board resolution passed on July 27, 2013, the details of remuneration paid during the year to the Executive Director is as follows;

Salary	Allowance & Perquisites	Company's contribution to funds	Total
9.36	6.82	2.30	19.48

Notes :

- a) Company's contributions to fund include Superannuation Fund and Provident Fund and exclude the accruals for gratuity as it is funded on the basis of an actuarial valuation for the Company as a whole.
- b) The Company did not have any Stock Option Scheme as at December 31, 2013.

Details of 1% commission on profit paid to Directors:-

Sl.No.	Name	Amount (Rs.)
1.	Shri. J.C. Bhatia	222572/-
2.	Shri. L.M. Bijlani	99043/-
3.	Shri. C.G. Cholera	99043/-
4.	Shri. C.J. Bhatia	173606/-
5.	Shri. B.V. Dholakia	99043/-
6.	Shri. D.D. Kanitkar	99043/-
	Total	792350/-

Remuneration to the Non-Executive Directors

Directors other than Whole time Directors are paid sitting fees for attending Board Meetings and 1% commission on profit is paid to them. The details of sitting fees paid to them for attending Board / Committee Meetings during the year are as follows:

Sr. No.	Name of Director	Total No. of Board Meeting Attended	Sitting Fees Paid (Rs.)	Conv. Exp. (Rs.)	Total Amount (Rs.)
1	Shri. L.M. Bijlani	5	4500/-	1000/-	5500/-
2	Shri. C.G. Cholera	5	4500/-	1000/-	5500/-
3	Shri. B.V. Dholakia	5	4500/-	1000/-	5500/-
4	Shri. D.D. Kanitkar	5	4500/-	1000/-	5500/-
	TOTAL ->		18000/-	4000/-	22000/-

Executive Directors have been reimbursed expenses incurred by them in discharge of their duties. None of these Directors has any material pecuniary relationship or transactions with the Company, its promoters, its directors, its senior management which may affect their independence. The Company has not entered into any materially significant transaction with promoters, directors or their relatives or its management that may have potential conflict with the interests of the Company.

Directors' Shareholding in the Company

Sr. No.	Name of Directors	No. of share held as on 31-3-2014	% age
1	Jagdish Chetandas Bhatia	69010	1.285
2	Chander Bhatia	57687	1.074
3	Lalit Mohan Bijlani	163077	3.036
4	Chetan Gopaldas Cholera	256212	4.770
5	Dhananjay Digambar Kanitkar	750	0.014
6	Bhumitra Vinodchandra Dholakia	NIL	NIL
	TOTAL ---->	546736	10.179

5. GENERAL BODY MEETINGS

Details of Annual General Meetings held in last three years are as follows;

Meetings		36 th AGM	35 th AGM	34 th AGM
Particulars				
	Date	7th September, 2013	22nd September, 2012	24th September, 2011
	Start Timing	12.00 Noon	12.00 Noon	12.00 Noon
	Venue	Ankleshwar	Ankleshwar	Ankleshwar
Resolutions Passed				
Ordinary Business:				
1	Adoption of Accounts as at	31-03-2013	31-03-2012	31-03-2011
2	Declaration of Dividend	40%	30%	25%
3	Re-appointment of Rotational Directors under section 255-256	Shri. B.V. Dholakia	Shri. L.M. Bijlani	Shri. C.G. Cholera
4		Shri. D.D. Kanitkar	Shri. J.C. Bhatia	Shri. C.J. Bhatia
5	Appointment of Auditors & to fix their remuneration	D N Shukla & Co. Chartered Accountants, Mumbai		

SPECIAL BUSINESS:				
1		*Issue of 3:2 Bonus Equity Shares	Revision in Remuneration of Shri. J.C. Bhatia, Managing Director & Shri. C.J. Bhatia, Executive Director.	-
2		*Alteration in Articles of Association for increase in Authorised Capital	Commission to the Directors (other than the Managing/ Wholetime Directors) not exceeding 1% per annum of the net profits of the Company	-
3		*Reappointment of Shri. J.C. Bhatia as Managing Director		-

* Special resolution was passed in 36th Annual General Meeting for Bonus Issue, Alteration of Articles & reappointment of Shri. J.C. Bhatia, Managing Director.

- No 'Extraordinary General Meeting' was held during the last three years.
- No postal ballot was conducted during the year.
- At the forthcoming 'Annual General Meeting' there is no item on the agenda requiring postal ballot.

6. DISCLOSURES

- The Board has received disclosures from the Senior Management relating to material, financial and commercial transaction, where they and / or their relatives have personal interest. There are no materially significant related party transactions of the Company, which have potential conflict with the interest of the Company at large; however, transactions with related parties as per requirements of Accounting Standard -18 are disclosed under Notes to Accounts in the 36st Annual Report.
- There have been no instances of any penalties or strictures imposed on the Company on any matter relating to the capital market, either by Stock Exchange, SEBI or any statutory authority during the last three years except Rs.1,000/- Penalty imposed by BSE Ltd., for non-submission of Corporate Governance Report in time.
- The Company has adopted and complied with mandatory requirements as per Clause 49 of the Listing Agreement.
- The requisite certificates from CEO and CFO were placed before the Board Meetings for consideration.
- Paid up Share Capital has been increased to Rs.5,37,12,450/- on 24-09-2013 consequent to issue of Bonus Shares, hence Corporate Governance compliances (Clause 49 of Listing Agreement) became applicable from the aforesaid date.

7. MEANS OF COMMUNICATION

Quarterly Results

Pursuant to provisions of the listing agreements, periodical financial results of the Company are being published in a widely circulated English newspaper (The Business Standard) and a Vernacular Gujarati newspaper (Loksatta). Financial results, as soon as they are approved by the Board, are forwarded to the

Stock Exchanges (BSE) and also displayed on Company's Website (www.rapicutcarbides.com). Along with the financial results, other information as per the listing guidelines such as Annual Report and Shareholding Pattern, are being uploaded on website www.rapicutcarbides.com under Financials.

8. GENERAL SHAREHOLDER INFORMATION

i) **37th Annual General Meeting is scheduled to be held; On: Saturday, 20th September, 2014. At: 12.00 Noon At: Hotel Sadanand, Rajpipla Road, Ankleshwar -393 002 (Gujarat).**

ii) **Date of Book Closure**

3rd September, 2014 to 5th September, 2014 (both days inclusive).

iii) **Dividend**

The Dividend for the year 2013-14 may be declared under agenda item no. 2 of forthcoming 37st Annual General Meeting scheduled on, Saturday, 20th September, 2014 and shall be paid within the time limit prescribed in the Companies Act, 1956.

iv) **Audit in 2013-14**

Sr. No.	Audits	Auditors in 2013-14	Audit Firm
1	Statutory Audit	Statutory Auditors	D N Shukla & CO. Chartered Accountants, Mumbai
2	Cost Audit	Cost Auditors	Pradip Damania & Co. Cost Accountants, Vadodara
3	Tax Audit	Auditors for Financial Year Audit and Tax Audit	D N Shukla & Co. Chartered Accountants, Mumbai
4	Reconciliation of Share Capital Audit	Secretarial Auditors	Samdani Shah & Associates Company Secretaries, Vadodara

v) **Listing of Equity Shares on Stock Exchanges**

The Equity Shares of the Company are listed on BSE Limited (BSE). The requisite listing fees have been paid to the Stock Exchanges up to March 31, 2014.

vi) **Custodial Fee to Depositories**

The Company has paid custodial fees for the year 2013 – 2014 to the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

vii) **Stock Code**

BSE Limited (BSE), Mumbai	500360
Bombay Stock Exchange Limited (BSE), Mumbai	RAPICUT
International Security Identification Number (ISIN)	INE350D01015
Corporate Identification Number [CIN]	L28910GJ1977PLC002998

viii) Market Price Data

A summary containing monthly High / Low share prices at BSE Limited (BSE) is as under:

For the Year 2013-14	Equity Shares	
	BSE Limited, (BSE)	
	High (Rs.)	Low (Rs.)
April	100	77.10
May	91	77
June	91	68.50
July	112.90	75.10
August	95	75.10
September	86.90	32
October	35.50	28.85
November	31.35	25
December	32.55	27.05
January	33.55	24.50
February	27.50	22.05
March	31.95	24

ix) Registrar and Share Transfer Agent [RTA]

The details are as under;

Name : Sharex Dynamic (India) Private Limited
Address : Unit- 1, Luthra Ind. Premises,
Safed Pool, Andheri Kurla Road, Andheri (E),
Mumbai - 400 072 INDIA
Phone No. : +91-22-28515606, 28515644
Fax No. : +91-22-28512885
E-mail : sharexindia@vsnl.com
Website : www.ssharexindia.com

'Sharex Dynamic (India) Private Limited' is acting as 'Registrar & Share Transfer Agent' for Company's Equity shares in physical and dematerialised form.

x) Share Transfer System

Trading of Company's equity shares is possible in physical as well as dematerialised form. Shares sent for transfer in physical form are registered on a fortnightly basis and returned within prescribed period from the date of receipt of document, provided all the documents are valid and complete in all respects. This practice was changed from October 01, 2012 as per the new guidelines issued by Securities Exchange Board of India. Consequently, now shares sent for transfer in physical form are registered on a weekly basis and returned within a period of fifteen days from the date of receipt of documents, provided all the documents are valid and complete in all respect. The authority to approve the share transfer / transmission lies with the Board of Directors/Share Transfer Committee.

The Company confirms that there is no share transfer pending as on March 31, 2014 for more than fifteen days, from the date of lodgement thereof. All requests for demat /remat received by the Company /Registrar and Transfer Agent were confirmed / rejected within prescribed period from the date of receipt thereof.

xi) Information of Dividend

Pursuant to provisions of the Companies Act, 1956, the Company is committed to make timely payment of dividend. Pursuant to provisions of Section 205A of the Companies Act, 1956 dividend amount that remains unpaid or unclaimed for the financial year ended on March 31, 2008 is due to be transferred, on 16th October, 2015, to "Investor Education and Protection Fund" (IEPF) a Fund constituted by the Central Government under Section 205C of the Companies Act, 1956.

Entitled Members are requested to lodge their claims before the last date for claiming unpaid / unclaimed dividend as shown in the table below for the dividend in respective years. For the claims lodged after the last due dates, the Company does not take any responsibility for payment, as the balance amount on last due dates along with interest earned thereon shall be transferred to the IEPF.

xii) Distribution of Shareholding;

Analysis of Shareholding	Number of		Number of	
	Shareholders	Shares held	Shareholders	Shares held
	2013-14		2012-13	
UP TO 100	555	25242	1971	128876
101 TO 200	767	105473	652	115110
201 TO 500	1510	508058	576	211482
501 TO 1000	444	348815	228	178781
1001 TO 5000	521	1086192	176	374297
5001 TO 10000	58	421186	14	96476
10001 TO 100000	42	1067329	21	456031
100001 TO ABOVE	8	1808950	5	587445
** TOTAL **	3905	5371245	3643	2148498

Note: The information given above in Distribution Schedules is on the basis of a Certificate received from the Registrar & Transfer Agent, Link in time India Private Limited, on which the auditors have relied.

xiii) Category wise summary of Shareholding

(As on March 31, 2014)

CATEGORY	No. of shareholders	No. of shares	%
General Public	3783	3209467	59.753
Promoters-Ind	12	1468287	27.336
Directors-Indp	2	750	0.014
	3797	4678504	87.103
NRI-Rep	17	14245	0.265
NRI-Non-Rep	9	15702	0.292
NRI Dir's Rel.	1	51242	0.954
	27	81189	1.511
Banks	3	1375	0.026
Gr.Comp.& Assoc	2	489325	9.11
Mutual Funds	1	4750	0.088
Pvt Corp Bodies	69	112773	2.1
Clearing Member	6	3329	0.062
	81	611552	11.386
** GRAND - TOTAL	3905	5371245	100

xiv) Top Ten Shareholders with their Shareholdings

(As on March 31, 2014)

Sr. No.	Name of Shareholder	Number of Shares held	% of total paid up Share Capital
1	PRAGYA EQUITIES PVT LTD	384325	7.155
2	DAYAWANTI JAGDISH BHATIA	299460	5.575
3	BHARTI CHETAN CHOLERA	260537	4.851
4	CHETAN GOPALDAS CHOLERA	256212	4.77
5	MEERA SHANKAR PENSAY	223962	4.17
6	LALIT MOHAN BIJLANI	163077	3.036
7	DEEPAK K NATESAN	116377	2.167
8	SUPERB ROYAL TRAVELS AND TOURS	105000	1.955
9	SHASHI RANI GUPTA	73002	1.359
10	JAGDISH CHETANDAS BHATIA	69010	1.285
	TOTAL-->	1950962	36.323

*MF-Mutual Fund, FI – Financial Institutions, FII- Foreign Institutional Investor OBD- Other Body Corporate INS- Insurance Companies

xv) Dematerialisation of Shares and liquidity

82.77% of the Paid-up Equity Share Capital is held in Dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited as on March 31, 2014.

	NSDL	CDSL	Physical	Total
Shares (Nos.)	2359154	2086871	925220	5371245
Shares (%)	43.92%	38.85%	17.23%	100.00

xvii) Plant Location

The manufacturing activities are being carried out from the plant located at Ankleshwar, State of Gujarat.

xviii) Address for correspondence

Shareholders / Beneficial owners are requested to correspond with the Company's RTA (Registrar & Share Transfer Agent) as shown in Para (ix) above with respect to any query, request, information or clarification pertaining to shares and are further advised to quote their folio number, DP & Client ID number as the case may be, in all correspondence with it.

In addition to the Registrar's details given in (ix) above, shareholders may correspond at the following addresses:

Registered Office & Works:
 Secretarial Department
 Rapicut Carbides Limited
 119, GIDC Industrial Area,
 Ankleshwar – 393 002 (Gujarat)
 Phone: +91 02646 -251118, 221071
 Fax : +91 02646-251019
 Email : investors@rapicutcarbides.com

xvii) Information through Internet / Company's Website

The information pertaining to financial performance, shareholding pattern, compliance with Corporate Governance and announcements are being uploaded and can be viewed by the general public on www.rapicutcarbides.com, www.listing.bseindia.com/login.apex. Apart from this, the Company's website www.rapicutcarbides.com/ contains comprehensive information about the Company, its products, services, solutions, press releases and investor's information, etc. The required information is being placed from time to time on the website.

xviii) PAN requirement for Share Transfer / Dematerialization transactions

The Securities and Exchange Board of India (SEBI) vide circular ref. no. SHRI.D/DoP/Cir-05/2007 dated April 27, 2007 made PAN (Permanent Account Number) mandatory for all securities market transactions. Thereafter, vide Circular no. SHRI.D/DoP/Cir-05/2009 dated May 20, 2009, SEBI has clarified that for securities market transactions and off-market / private transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish copy of PAN Card to the Company / RTAs for registration of such transfer of shares.

xix) The Management Discussion and Analysis Report for the year ended on March 31, 2014 forms part of the Annual Report.

For and on behalf of the Board

Place: Ankleshwar

Date: 9th August, 2014

J.C. Bhatia
Managing Director

Samdani Shah & Asso.**Company Secretaries**

103, Tanishq, Opp. SBI Urmi Branch, Productivity Road, Vadodara - 390 020.
Ph.: +91 265 3054015, 2330583, 2321494, (M) 94234 62962 Email : samdanics@gmail.com, cssamdani@gmail.com
Web.: www.samdani Shah.com

CIN : L28910GJ1977PLC002998
Authorized Capital: Rs. 80,000,000

Compliance Certificate

to the members of RAPICUT CARBIDES LIMITED

We have examined the registers, records, books and papers of Rapicut Carbides Limited having its registered office at 119, GIDC Industrial Area, Ankleshwar - 393002, Gujarat, maintained as required under the Companies Act, 1956, (the Act) and the rules made there under and also in terms of the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014.

In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company and its officers, to the extent applicable, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries there in, 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, within the time prescribed under the Act and rules made there under.
3. The company being a Public Limited Company, this clause is not applicable to company.
4. The Board of Directors duly met as required under the provisions of the Companies Act, 1956 in respect of which, notices were given and the proceedings were recorded and signed in the Minutes Book maintained for the purpose.
5. The Company had closed its Register of Members and Share Transfer Book from 09th August, 2013 to 12th August, 2013 (both the days inclusive) during the year under review.
6. The Annual General Meeting for the financial year ended on 31st March 2013, was held on 7th September, 2013, after giving due notice to the members of the Company and the resolutions passed there at were recorded in Minutes Book maintained for the purpose.
7. There was no Extra Ordinary General Meeting of the Company held during the year.
8. The Company has not given any loans to the directors or their relatives to which section 295 of the Act, applies.
9. The Company has complied with the provisions of section 297 of the Act in respect of contracts specified in that section, wherever applicable.

10. The company has made necessary entries in the register maintained under section 301 of the Act, wherever required.
11. There were no instances falling within the purview of section 314 of the Act. The Company was not required to obtain any approvals from the Board of Directors, Members or Central Government.
12. The Company has issued some duplicate share certificates as per the records maintained by the company during the year under review.
13. The Company has issued and delivered all the certificates pursuant to allotment of 3222747 bonus Equity Shares and on lodgment for transfer / transmission of Equity Shares or for any other purpose in accordance with the provisions of the Act and deposited the declared dividend @ 40% (Rs. 4 per Equity Share) in a separate bank account within five days from the date of declaration during the year under review and substantially complied with the provisions of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and there were no appointment of Directors, Additional Director and Alternate Directors to fill the casual vacancy during the year under review.
15. The re-appointment of Managing Director has been made in compliance with the provisions of section 269 read with Schedule XIII to the Act and approval of the Central Government is not required.
16. The Company has not appointed any sole selling agent during the year under review.
17. The Company has obtained all the necessary approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may have been prescribed under the various provisions of the Act, whenever required.
18. The directors 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 had issued 3222747 Equity Shares as Bonus Shares the ratio of three new Equity Shares for every two existing Equity Shares held by the members during the year under review.
20. The Company has not bought back any shares during the year under review.
21. There was no redemption of preference shares or debentures during the year under review.
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 in respect of acceptance / renewal of deposits. The Company has filed copy of Statement in Lieu of Advertisement as required with the Registrar and has also filed return of deposit with the Registrar of Company.

24. The amount borrowed by the Company from Directors, Members, Public, Financial Institutions, Banks and others, during the financial year is within the borrowing limits of the company and as per section 293(1)(d).
25. The Company has not made loans or investments or given guarantees or provided securities to other bodies corporate during the year under review in compliance with the provisions of the Act.
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 review.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under review.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under review.
29. The Company has altered the provisions of the Memorandum with respect to Share Capital of the company during the year under review.
30. The Company has altered its Articles of Association during the year under review.
31. There was no prosecution initiated against or show cause notices received by the Company for any alleged offences under the Act and also no fine or penalty or any other punishment imposed on the Company.
32. The Company has not received any money as security from its employees during the year under review.
33. The company has not constituted any specific provident fund, to which provisions of section 418 of the Act, applies, however, it had deposited both employee's and employer's contribution to Provident Fund with prescribed Authorities under the Provident Fund laws for specified employees.

S. Samdani
Partner
Samdani Shah & Asso.
Company Secretaries
CP # 2863

Vadodara, 9th August, 2014

Annexure - A

Registers as maintained by the Company during the Financial Year ended on 31st March, 2014:

- § Register of Members under Section 150/151;
- § Register of Charges under Section 143
- § Registers of Contracts under Section 301;
- § Registers of Directors, etc. under Section 303;
- § Registers of Directors' Share Holding, etc u/s 307;
- § Register of Allotment
- § Minutes Book of Board and General Meetings.

Annexure - B

Forms and Returns as filed by the Company with the Registrar of Companies or other Authorities during the Financial Year ending 31 March 2014;

Sr #	Form #	Section	Purpose	Date of Filing
01.	20B	159	Annual Return as on 07.09.2013	22/10/2013
02	23AC/ 23ACA- XBRL	220	Balance sheet & Profit & Loss [F.Y. 2012-13]	05/10/2013
03	66	383A	Compliance Certificate [F.Y 2012-13]	15/10/2013
04	5INV	Rule 3 of IEPF	Unpaid and unclaimed amount lying with the company	07/12/2013
05	2	75	Return of Allotment	22/10/2013
06	25C	269(2)	Return of Re-appointment of MD	21/09/2013
07	23	192	Special Resolution for Bonus Issue, Alteration of AOA & Re-appointment of Managing Director	21/09/2013
08	62	58A read with Rules	Statement in Lieu of Advertisement (Acceptance of Deposits) Rules, 1975	12/08/2013
09	62	Rule # 10 of Cos. Acceptance of Deposits Rules, 1975	Return of Deposits as on 31.03.2013	27/06/2013
10	5	94	Increase in Authorized Share Capital	21/09/2013
11	23C	233(B)	Application to Cen. Govt. for appointment of Cost Auditor	09/09/2013

To,
The Members of Rapicut Carbides Limited

DECLARATION

I, Shri. Jagdish Chetandas Bhatia, Managing Director of Rapicut Carbides Limited, hereby declare that all the members of the Board of Directors and the senior management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of clause 49(1) (D) (ii) of the Listing Agreement entered into with the Stock Exchanges for the year ended 31st March, 2014.

For, RAPICUT CARBIDES LIMITED

Place: Ankleshwar
Date: 9th August, 2014

J.C. Bhatia
Managing Director

MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Rapicut Carbides Limited to the best of our knowledge and belief certify that:

- a) We have reviewed the financial statements and the cash flow statement for the year ended on 31st March, 2014 and based on our knowledge and belief we state that:-
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading.
 - ii) These statement together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct. We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated, based on our evaluation, wherever applicable, to the Auditors and Audit Committee:
 - i) There have been no significant changes in the internal controls over financial reporting during the year.
 - ii) There have been no significant changes in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii) There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For RAPICUT CARBIDES LIMITED

Place: Mumbai
Date: 9th August, 2014

A.R. Master
(Chief Financial Officer)

J.C. Bhatia
(Managing Director)

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Rapicut Carbides Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Rapicut Carbides Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
- a. 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;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;
 - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For D.N. SHUKLA & CO.
Chartered Accountants
FRN110228W

P. J. Mankad
Partner
(Membership No. 036010)

Place : Mumbai
Date : 29th May, 2014

ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH 1 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.
- 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 off 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, 2013. 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, 2013 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, 2013 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, 2013 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, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained, however we have not made detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 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, 2014 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.10.59 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
2.	Income Tax Act	Income Tax	CIT (Appeal)	1.04
TOTAL				10.59

- 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 raised new term loan during the year. The term loan was applied for the purposes for which it was raised.
- 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
FRN110228W

P. J. Mankad
Partner
(Membership No. 036010)

Place : Mumbai
Date : 29th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

SR. NO.	PARTICULARS	NOTE NO.	31.03.2014 Rupees	31.03.2013 Rupees
EQUITY AND LIABILITIES				
1	SHAREHOLDERS' FUNDS			
	(a) Share Capital	1	5,37,12,450	2,14,84,980
	(b) Reserves & Surplus	2	11,94,79,199	13,56,54,031
	(c) Money recived against. Share Warrants		--	--
	TOTAL		17,31,91,649	15,71,39,011
2	SHARE APPLICATION MONEY PENDING ALLOTMENT		--	--
3	NON-CURRENT LIABILITIES			
	(a) Long Term Borrowings	3	83,76,452	59,25,000
	(b) Deferred Tax Liabilities (Net)		17,86,741	10,20,089
	(c) Other Long-Term Liabilities	4	6,20,000	6,20,000
	(d) Long-Term Provisions	5	16,64,408	18,95,681
	TOTAL		1,24,47,601	94,60,770
4	CURRENT LIABILITIES			
	(a) Short Term Borrowings	6	1,28,29,161	(39,64,879)
	(b) Trade Payables	7	2,54,33,018	5,15,89,517
	(c) Other Current Liabilities	8	1,16,98,475	2,04,63,983
	(d) Short Term Provisions	9	1,37,52,726	1,50,46,499
	TOTAL		6,37,13,380	8,31,35,120
	TOTAL		24,93,52,630	24,97,34,901
ASSETS				
1	NON-CURRENT ASSETS			
	(a) Fixed Assets			
	(i) Tangible Assts	10	4,80,81,647	3,25,48,237
	(ii) Intangible Assets	11	9,46,190	11,58,886
	(iii) Capital Work-In-Progress		90,270	44,33,573
	(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	45,19,894	47,78,894
	(e) Other Non-Current Assets		6,04,151	--
	TOTAL		5,46,44,902	4,33,22,340
2	CURRENT ASSETS			
	(a) Current Investments		--	--
	(b) Inventories	14	13,69,07,598	14,43,12,982
	(c) Trade Receivables	15	4,41,58,299	4,06,93,702
	(d) Cash And Cash Equivalents	16	37,11,934	99,24,722
	(e) Short-Term Loans And Advances	17	91,86,627	1,04,07,330
	(f) Other Current Assets	18	7,43,270	10,73,825
	TOTAL		19,47,07,728	20,64,12,561
	TOTAL		24,93,52,630	24,97,34,901
	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. 036010

A. R. Master
 Chief Financial Officer

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

 Place : Mumbai
 Date : 29th May, 2014.

Kamlesh M. Shinde
 Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

SR. NO.	PARTICULARS	Note	31-03-2014 Rupees	31-03-2013 Rupees
1.	Revenue From Operations			
	Revenue from Operations	19	38,48,92,473	39,30,39,301
	Other Income	20	1,75,379	5,12,208
	Total Revenue		<u>38,50,67,852</u>	<u>39,35,51,509</u>
2.	Expenses :			
	- Cost of Material Consumed	21	28,07,03,050	24,85,49,631
	- Purchase of Stock-in-Trade	--	--	--
	- Changes In Inventories of Finished Goods	22	(2,85,10,844)	(16,90,641)
	- Work-in-Process & Stock-in-Trade		--	--
	- Employee Benefits Expense	23	3,52,27,925	3,61,43,069
	- Finance Costs	24	41,03,170	43,68,336
	- Depreciation And Amortization Expense	25	58,58,828	40,14,486
	- Other Expenses	26	5,24,80,116	4,64,86,790
	Total Expenses		<u>34,98,62,245</u>	<u>33,78,71,671</u>
	Profit Before Exceptional And Extraordinary Items And Tax		3,52,05,607	5,56,79,838
	Exceptional Items - Prior Period		--	12,93,263
	Profit Before Extraordinary Items And Tax		3,52,05,607	5,43,86,575
	Extraordinary Items		1,46,160	--
	Profit Before Tax		3,50,59,447	5,43,86,575
	Tax Expense			
	- Current Tax		1,05,00,000	1,78,00,000
	- Earlier Years Tax		2,48,882	14,99,563
	- Deferred Tax		7,66,652	5,03,059
	Profit For The Period From Continuing Operations		2,35,43,913	3,45,83,953
	Profit From Discontinuing Operations		--	--
	Tax Expense Of Discontinuing Operations		--	--
	Profit From Discontinuing Operations (After Tax)		--	--
	Profit For The Period		<u>2,35,43,913</u>	<u>3,45,83,953</u>
	Earning Per Equity Share			
	- Basic		4.58	16
	- Diluted		4.58	16
	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

For and on behalf of the Board

P. J. Mankad
Partner
M. No. 036010

A. R. Master
Chief Financial Officer

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

Place : Mumbai
Date : 29th May, 2014.

Kamlesh M. Shinde
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014 IN ACCORDANCE WITH THE REQUIREMENT UNDER CLAUSE 32 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE.

(Rs.in Lacs)

	Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
1.	CASH INFLOWS		
(01)	From Operating activities		
	(a) Profit from operating activities Adjustments:	352.05	556.79
	Depreciation and amortization	58.59	40.14
	(Gain)/Loss on sale of Fixed assets	1.70	--
	Assets written off	0.19	1.58
	Provision/(Reversal) Long Term Loans & Advances	--	1.36
	Provision/(Reversal)	--	(12.93)
	Other Income	(1.75)	(5.12)
	(b) Working capital changes:		
	Decrease in inventories	74.05	--
	Decrease in trade receivables	--	9.77
	Decrease in short-term loans and advances	12.21	0.59
	Decrease in other current assets	3.30	0.54
	Increase in trade payables	--	228.38
	Increase in other current liabilities	--	51.73
	Increase in provisions	--	25.88
	Total of (1)	500.34	898.71
(02)	From Investing activities		
	(a) Proceeds from sale of fixed assets	45.73	2.86
	(b) Decrease in other long-term loans and advances	2.59	--
	(c) Decrease in other non current assets	0.30	0.23
	(d) Dividend received	1.45	4.89
	Total of (2)	50.07	7.98
(03)	From Financing activities		
	(a) Proceeds from long-term borrowings	37.76	--
	(b) Proceeds from short-term borrowings	167.94	--
	Total of (3)	205.7	--
	Total cash inflows (1+2+3)	756.11	906.69

(Rs.in Lacs)

II	CASH OUTFLOWS		
(01)	From Operating activities		
	(a) Loss from operating activities Adjustments:		
	Provision/(Reversal)for Long Term	2.31	--
	(b) Working capital changes:		
	Increase in inventories	--	172.61
	Increase in trade receivables	34.65	--
	Increase in short-term loans and advances	--	73.32
	Decrease in trade payables	261.55	--
	Decrease in other current liabilities	87.66	--
	Decrease in provisions	12.94	--
	Total of (1)	399.11	245.93
(02)	From Investing activities		
	(a) Purchase of tangible assets/Capital work in progress	213.72	162.85
	(b) Purchase of intangible assets/assets under development	2.27	0.64
	(c) Increase in other non current assets	6.04	--
	Total of (2)	222.03	163.49
(03)	From Financing activities		
	(a) Repayment of long-term borrowings	13.25	33.78
	(b) Repayment of short-term borrowings	--	163.35
	(c) Dividend paid (including distribution tax)	74.91	100.54
	(d) Direct Tax Paid	107.48	192.99
	(e) share issue expenses	1.46	--
	Total of (3)	197.10	490.66
	Total Cash Outflows (1+2+3)	818.24	900.08
III	Cash and cash equivalents (I-II)	(62.13)	6.61
	Add: Cash and cash equivalents at the beginning of the period	99.25	92.64
IV	Cash and cash equivalents at the end of the period	37.12	99.25

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

For and on behalf of the Board

P. J. Mankad
Partner
Membership No. 36010
FRN. 110228W

A. R. Master
Chief Financial Officer

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

Place : Mumbai
Date : 29th May, 2014

Kamlesh M. Shinde
Company Secretary

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2014

PARTICULARS	NOTE NO.	31.03.2014 Rupees	31.03.2013 Rupees
1 Share Capital :	1		
(a) Authorised : 80,00,000(Last Year 40,00,000) Equity Shares of Rs.10/each		<u>8,00,00,000</u>	<u>4,00,00,000</u>
(b) Issued, Subscribed & Paid Up Shares at the End of the accounting period 53, 71, 245 (L.Y. 21,48,498) Equity Shares of Rs. 10/- Each (Include, 35,17,747/- Equity Shares issued as Bonus Shares & 60,384 Equity Shares allotted as fully paid shares to share holders of erstwhile Gujarat Drillwell Pvt. Ltd. for consideration other than cash)		<u>5,37,12,450</u>	<u>2,14,84,980</u>
TOTAL		<u>5,37,12,450</u>	<u>2,14,84,980</u>
(c) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period. At the beginning of the period Add : Shares issued during the year Less: Shares bought back during the year Outstanding at the end of the period		<u>21,48,498</u> <u>32,22,747</u> -- <u>53,71,245</u>	<u>21,48,498</u> -- -- <u>21,48,498</u>
(d) Terms/rights attached to equity shares The Company has only one class of equity shares having a face value of Rs.10 per share. The Company has recommended dividend for the year ended 31 March, 2013		<u>1.20</u>	<u>4</u>
(e) Details of shareholders holding more than 5% shares in the company - Equity Share of Rs.10/- each fully paid up.			
		<u>No. of Shares held</u>	<u>%</u>
		<u>No. of Shares held</u>	<u>%</u>
Pragya Equities Pvt. Ltd.		<u>3,84,325</u>	<u>7.16</u>
Dayawanti J Bhatia		<u>2,99,460</u>	<u>5.58</u>
		<u>1,43,516</u>	<u>6.68</u>
		<u>77,284</u>	<u>3.60</u>
(f) Aggregate number of shares issued and bonus for consideration other than cash during the period of five years immediately preceding the reporting date		<u>32,22,747</u>	<u>NIL</u>
(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		<u>NIL</u>	<u>NIL</u>
Reserves & Surplus :	2		
1 General Reserve At the beginning of the accounting period Additions during the year At the end of the accounting period		<u>3,10,00,000</u> <u>40,00,000</u> <u>3,50,00,000</u>	<u>2,50,00,000</u> <u>60,00,000</u> <u>3,10,00,000</u>
2 Securities Premium Account 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>(3,22,27,470)</u> <u>1,27,15,948</u>	<u>4,49,43,418</u> -- <u>4,49,43,418</u>

SR. NO.	PARTICULARS	NOTE NO.	31.03.2014 Rupees	31.03.2013 Rupees
3	Surplus			
	At the beginning of the accounting period		5,49,62,699	3,64,33,287
	Additions during the year (Balance In Statement Of Profit & Loss A/C)		2,35,43,913	3,45,83,953
	Allocations & Appropriations			
	Dividend		64,45,494	85,93,992
	Tax on Dividend		10,45,781	14,60,549
				-
	Transfer to/from Reserves		40,00,000	60,00,000
	At the end of the accounting period		<u>6,70,15,337</u>	<u>5,49,62,699</u>
4	Capital Reserve		29,06,317	29,06,317
5	Central / State Govt. Subsidy		18,41,597	18,41,597
	TOTAL		<u>11,94,79,199</u>	<u>1,35,654,031</u>
	Long Term Borrowings	3		
1	Unsecured Long Term Borrowings :			
	Loans from State Bank of India - Car Loan		7,09,452	--
	Fixed Deposit from Public		63,25,000	32,58,000
	Fixed Deposit from Shareholder		13,42,000	26,67,000
	TOTAL		<u>83,76,452</u>	<u>59,25,000</u>
	Other Long-Term Liabilities :	4		
	Security Deposits from Distributors		6,20,000	6,20,000
	Car Deposit from Employees		--	--
	TOTAL		<u>6,20,000</u>	<u>6,20,000</u>
	Long-Term Provisions :	5		
	Provision for Leave Encashment		16,64,408	18,95,681
	TOTAL		<u>16,64,408</u>	<u>18,95,681</u>
	Current Liabilities	6		
	Short-Term Borrowings :			
1	Secured Loans from Banks			
	From State Bank of India - Cash Credit (Secured against hypothecation of Stock & Book-debts)		1,28,29,161	(39,64,879)
2	From State Bank of India - Term Loan (Secured against hypothecation of Machinery)		--	--
	TOTAL		<u>1,28,29,161</u>	<u>(39,64,879)</u>
	Notes on Short-Term Borrowings :-			
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.		1,28,29,161	(39,64,879)
			<u>1,28,29,161</u>	<u>(39,64,879)</u>

SR. NO.	PARTICULARS	NOTE NO.	31.03.2014 Rupees	31.03.2013 Rupees
	Trade Payables	7		
	Sundry Creditors		2,37,38,208	4,71,90,812
	Advance from parties-Interest free		16,94,810	43,98,705
	TOTAL		<u>2,54,33,018</u>	<u>5,15,89,517</u>
	Other Current Liabilities	8		
1	Current maturities of long term debts (SBI-Car Loan)		2,39,613	--
2	Unsecured Fixed Deposit from Public		28,77,000	99,55,000
3	Unsecured Fixed Deposit from Shareholder		15,50,000	45,79,000
4	Interest accrued but not due on borrowings		5,46,718	10,07,912
5	Unpaid Dividends		26,83,097	19,59,524
6	Duties & Taxes		27,83,994	25,02,365
7	Current Year, Sales Tax Payable (Net of Advance Tax)		10,18,053	4,60,182
	TOTAL		<u>1,16,98,475</u>	<u>2,04,63,983</u>
	Short-Term Provisions	9		
1	Provision for Expenses		62,61,451	49,91,958
2	Provision for Dividend		64,45,494	85,93,992
3	Provision for Tax on Dividend		10,45,781	14,60,549
	TOTAL		<u>1,37,52,726</u>	<u>1,50,46,499</u>

FIXED ASSETS

NOTE NO.10 i) TANGIBLE ASSETS

Items	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening Balance 01-04-13 Rupees	Additions Rupees	Sales/ Disposal/ Transfer Rupees	Closing Balance 31-03-14 Rupees	Opening Balance 01-04-13 Rupees	Depri during the year Rupees	Deduc-tion Rupees	Depri up to 31.03.14 Rupees	Closing Balance 31-03-14 Rupees	Opening Balance 01-04-13 Rupees
Leasehold Land	352174	0		352174	125936	3557		129493	222681	226238
Buildings	14153445	4796778		18950223	8598523	517620		9116143	9834080	5554922
Plant & Machinery and Electrical Fittings	66045823	15039443	1222458	79862808	42135514	4258079	958103	45435490	34427315	23910309
Data Process Equipment	3624465	22575	177558	3469482	2814631	192180	168120	2838691	630791	809834
Furniture Fixture & Office Equipment	3891905	74864	117580	3849189	3437100	88154	62420	3462832	386357	454805
Vehicles	2983678	1347599	0	4331277	1391549	358185	0	1749707	2581570	1592129
TOTAL	91051490	11851894	1517596	110815153	58503253	5417748	1188643	62732356	48082794	32548237

NOTE NO.11 ii) INTANGIBLE ASSETS

Technical Know-how	2190804	227237	0	2418041	1031918	441080	0	1472998	945043	1158886
TOTAL	2190804	227237	0	2418041	1031918	441080	0	1472998	945043	1158886

iii) CAPITAL WORK-IN-PROGRESS

Machinery under Installation	4433573	90270	4433573	90270	0	0	0	0	90270	4433573
TOTAL	4433573	90270	4433573	90270	0	0	0	0	90270	4433573
GRAND TOTAL	97675867	21598766	5951169	113323464	59535171	5858828	1188643	64205354	49118107	38140696
PREVIOUS YEAR	82201648	16349318	875099	97675867	55950498	4014486	429811	59535171	38140696	26251150

SR. NO.	PARTICULARS	NOTE NO.	31.03.2014 Rupees	31.03.2013 Rupees
	Non Current Assets	12		
	Non Current Investment :			
	(A) Unquoted - Trade - Long Term			
	1) In Government Securities- National Saving Certificates		12,000	12,000
	2) Others - 1581 Equity Shares of Bharuch Enviro Infrastructure Ltd.		15,750	15,750
	(B) Quoted - Trade - Long Term			
	1) 17,500 Equity Shares of Rapicut Carbides Ltd. (Including 10,500 Nos. Bonus Shares) 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.4,92,625/-)		1,75,000	1,75,000
	2) 20,000 Nos of SBI Infrastructure Fund (Market value Rs. 1,52,180/-)		2,00,000	2,00,000
	TOTAL		4,02,750	4,02,750
	Long Term Loans And Advances :	13		
	Security Deposits (Unsecured considered good unless otherwise stated)		45,19,894	47,78,894
	TOTAL		45,19,894	47,78,894
	Current Assets	14		
	Inventories :			
	(As taken, valued & certified by the Management)			
	1. Raw Materials		80,62,451	4,32,94,470
	2. Work In Process		9,29,68,535	6,28,12,600
	3. Finished Goods		1,81,63,110	1,98,08,201
	4. Stores, Spares & Loose Tools		1,77,13,502	1,80,93,856
	5. Goods-in-transit		--	3,03,855
	TOTAL		13,69,07,598	14,43,12,982
	Trade Receivables :	15		
	(Unsecured considered good unless otherwise stated)			
	(1) Debts outstanding for a period exceeding six months from the dates they are due		3,25,389	8,36,786
	(2) Other Debts		4,38,32,910	3,98,56,916
	TOTAL		4,41,58,299	4,06,93,702
	Cash & Cash Equivalentents :	16		
	(A) Balance With Banks			
	In Fixed Deposits			
	- Earmarked Balances with Banks held as Margin Money against borrowings and other commitments.		3,45,000	26,36,823
	- Maturity with less than 12 months		--	--
	In Current Accounts :		32,46,658	71,87,878
	(B) Cheques, Drafts on hand		--	--
	(C) Cash on hand		1,20,276	1,00,021
	TOTAL		37,11,934	99,24,722

SR. NO.	PARTICULARS	NOTE NO.	31.03.2014 Rupees	31.03.2013 Rupees
	Short Term Loans & Advances :	17		
	(Unsecured considered good unless otherwise stated)			
	Advances Recoverable in cash or kind for the value to be received			
	(1) Advance to Parties		26,64,288	13,24,397
	(2) Receivable / Recoverable from Revenue Authorities		65,22,339	90,27,239
	(3) Current Years Taxes Recoverable (Net Of Liability)		--	--
	(4) Advance to Employees		--	55,694
	TOTAL		<u>91,86,627</u>	<u>1,04,07,330</u>
	Other Current Assets :	18		
	(1) Prepaid Expenses		5,88,267	6,37,147
	(2) Tender Deposits		77,000	25,000
	(3) Interest Accrued but not Received		16,843	3,81,101
	(4) Insurance Claim		61,160	30,577
	TOTAL		<u>7,43,270</u>	<u>10,73,825</u>
	Revenue From Operations	19		
	Sale of Products (Net of Returns, Discount Etc.)		43,16,01,499	44,16,76,000
	Other Operating Revenues		--	--
			<u>43,16,01,499</u>	<u>44,16,76,000</u>
	Less: Excise Duty		4,67,09,026	4,86,36,699
	Net Revenue From Operations		<u>38,48,92,473</u>	<u>39,30,39,301</u>
	Other Income :	20		
	Interest Income (Tds Rs. 13,682/-)		1,45,007	4,88,836
	Dividend Income		30,372	23,372
	TOTAL		<u>1,75,379</u>	<u>5,12,208</u>
	Cost Of Materials Consumed :	21		
	Purchases Raw-Materials & Packing Materials		24,54,71,031	26,22,90,515
	Add: Opening Balance of Stock		4,32,94,470	2,95,53,586
			<u>28,87,65,501</u>	<u>29,18,44,101</u>
	Less: Closing Balance of Stock		80,62,451	4,32,94,470
	Consumption of Materials		<u>28,07,03,050</u>	<u>24,85,49,631</u>
	TOTAL		<u>28,07,03,050</u>	<u>24,85,49,631</u>
	Changes In Inventories	22		
	Finished Goods			
	At the beginning of the Accounting Period		1,98,08,201	1,21,09,619
	At the end of the Accounting Period		1,81,63,110	1,98,08,201
			<u>16,45,091</u>	<u>(76,98,582)</u>
	Work-In-Process			
	At the beginning of the Accounting Period		6,28,12,600	6,88,20,541
	At the end of the Accounting Period		9,29,68,535	6,28,12,600
			<u>(3,01,55,935)</u>	<u>60,07,941</u>
	TOTAL		<u>(2,85,10,844)</u>	<u>(16,90,641)</u>

SR. NO.	PARTICULARS	NOTE NO.	31.03.2014 Rupees	31.03.2013 Rupees
	Employee Benefits Expense	23		
	Salary and Wages			
	Factory Wages		1,40,66,293	1,33,76,153
	Office Staff Salary		85,97,349	77,34,988
	Compensation		--	2,60,000
	Marketing Staff Salary & Incentives		18,44,605	33,20,128
	Directors Remuneration		31,74,690	31,38,150
	Contribution to Provident & Other Funds			
	Contribution to Provident Fund		18,74,781	18,52,012
	Contribution to Employees State Insurance Fund		3,56,468	5,64,495
	Contribution to Other Funds		1,044	1,080
	Contribution to Gratuity Fund		11,68,610	9,93,777
	Contribution to Super Annuation Fund		10,04,927	10,24,229
	Other Expenses			
	Workers & Staff Welfare		14,82,097	16,33,677
	Bonus & Exgratia		7,57,840	9,89,459
	Leave With Wages		1,49,102	5,78,290
	Perquisites to Employees		7,50,119	6,76,631
	TOTAL		<u>3,52,27,925</u>	<u>3,61,43,069</u>
	Financial Costs :	24		
	Interest Expense			
	Interest to Bank		15,79,772	8,65,067
	Interest to Depositors		20,64,719	24,27,452
	Interest to Bank On Vehicle Loan		74,171	14,144
	Interest to Bank On Term Loan		--	1,92,155
	Interest on TDS & Other Taxes		1,29,815	902
	Bank Charges		2,54,693	8,68,616
	TOTAL		<u>41,03,170</u>	<u>43,68,336</u>
	Depreciation And Amortization Expense :	25		
	Depreciation		58,58,828	40,14,486
	TOTAL		<u>58,58,828</u>	<u>40,14,486</u>
	Other Expenses :	26		
A	Manufacturing Expense :			
	Consumption of Stores And Spare Parts			
	Opening Stock		1,80,93,856	1,58,52,377
	Add : Purchases		1,10,66,596	1,24,64,818
			<u>2,91,60,452</u>	<u>2,83,17,195</u>
	Less : Closing Stock		1,77,13,502	1,80,93,856
			<u>1,14,46,950</u>	<u>1,02,23,339</u>
	Freight Inward		1,36,074	1,52,850
	Power & Fuel		1,44,76,737	1,33,14,443
	Grinding Charges		99,116	33,984
	Water Charges		5,01,233	2,08,562
	Repair to Machinery		13,76,911	20,45,479
	TOTAL		<u>2,80,37,021</u>	<u>2,59,78,657</u>

PARTICULARS	NOTE NO.	31.03.2014 Rupees	31.03.2013 Rupees
B Administrative Expense			
Car Hire Expenses		2,70,000	2,45,000
Festival Celebration Expenses		1,19,358	98,024
Donation		14,400	25,300
Subscription/Membership Fees		80,236	47,411
Electricity Expenses		28,263	44,084
Rates & Taxes		3,63,124	5,66,547
General Expenses		1,90,087	2,51,374
Rent		9,26,744	9,88,199
Insurance		3,95,400	3,61,083
Legal Expenses		71,848	39,400
Service Tax		1,50,876	--
News Paper & Periodicals		60,882	56,734
Payment to The Auditors		91,401	75,253
Postage Telephone & Courier Expenses		5,18,871	5,60,819
Professional Charges		41,43,199	29,49,434
Printing & Stationery		4,88,856	4,33,559
Repair to Buildings		13,48,805	3,42,647
Repair & Maintenance (General)		8,48,759	10,59,061
Loss on sale of Assets		1,69,764	--
Loss on Impairment of Assets		18,658	1,58,336
Security Guard Expenses		11,06,119	9,49,567
Vehicle Running Expenses		2,41,235	1,32,526
Bonus issue Expenses written off		1,51,038	--
Directors Commission		7,92,348	12,08,580
Directors Sitting Fees		90,000	70,000
	TOTAL	<u>1,26,80,271</u>	<u>1,06,62,938</u>
C Selling & Distribution Expense			
Advertisement Expenses		1,51,528	1,35,490
Commercial Claims		2,82,000	--
Freight & Cartage(Outward)		15,47,904	16,33,229
Dr./Cr. Balance W/Off		2,211	(231)
Sales Commission & Incentives		7,07,538	7,55,008
Turnover / Cash Discount		8,16,531	7,71,998
Sales Tax / Gvat Tax Expenses/Entry Tax Kolkatta		55,39,893	29,58,192
Octroi		1,89,237	4,26,205
Packing Material		18,78,770	16,96,883
Sales Promotion		90,567	1,96,311
Travelling Expenses		5,29,636	12,18,484
Travelling Expenses (Marketing)		27,009	53,627
	TOTAL	<u>1,17,62,824</u>	<u>98,45,195</u>
	GRAND TOTAL	<u>5,24,80,116</u>	<u>4,64,86,790</u>

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, the company has not provided for same amount to Rs.61,32,947/- during the year being contingent in nature.

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

6. EXCISE & CUSTOM DUTY

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

7. FOREIGN CURRENCY TRANSACTIONS

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

8. SALES

- a) Sales are recognised at the time of despatch to customers. Material despatched to branches & 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 create a provision when there is present obligation as result of past events that probably required and out flow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is possible obligation or a present obligation that probably will not be required an out flow of resources or where a reliable estimate of the obligation can not be made.

11. TAXES ON INCOME

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

12. DEFERRED REVENUE EXPENDITURE

During the year, Company has incurred an expenditure on issue of Bonus Share of Rs.7,50,311/-, as per management's opinion, same is of long term nature, hence same is to be written off over a period of 5 years. Accordingly an amount of Rs.1,46,160/- is debited to Profit & Loss account under Exceptional and Extra Ordinary items.

NOTE NO. 28
NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 2013-14

1. In the opinion of the Board of Directors the Current Assets, Loans & Advances and Current Liabilities as reflected in the Balance Sheet represent the value they would realise or become payable as the case may be in the ordinary course of business.
2. We have relied on the management representation in respect of determining reuse / sale of T.C. scrap, worn out Cylpebs & acceptance of rejection claims.
3. Exchange difference amounting to Rs.5,32,564/- (P.Y. Rs.7,42,325/-) has been adjusted in the cost of corresponding raw materials/consumables, Rs.NIL (P.Y. Rs. 732/-) has been adjusted in export sales and Rs. 27,763/- (P.Y. Rs. 864/-) has been adjusted in Fixed Assets.
4. The identification of suppliers as small scale industrial undertaking has been done on the bases of information to the extent provided by the suppliers to the company. On these bases amount over due to such unit is exceeding Rs .ONE LAC is "NIL"and outstanding balance from such parties is Rs.Nil at the year end(P.Y. Rs.NIL).
5. Provision for taxation has been made during the year as per completed Income Tax Assessment of the Company.
6. Segment Reporting as per AS-17 ' Segment Reporting ' issued by Institute of Chartered Accountant of India, The Company has only one business segment "Tungsten & Tungsten Carbides Products" as primary segment. The secondary segment is geographical which is given as under :

a)	Sales & Services	2013-14	2012-13
	Within India	42,78,87,139	44,15,26,329
	Outside India	37,14,360	1,49,671
		43,16,01,499	44,16,76,000

b) Other Income

Within India	1,75,379	5,12,208
Outside India	NIL	NIL
Total	1,75,379	5,12,208

7. Disclosure requirement as per AS -18 " Related Party Disclosure " issued by Institute of Chartered Accountant of India"

		2013-14 Rupees	2012-13 Rupees
i)	Key Management Person : Shri.J C Bhatia, Managing Director & Shri.C.J. Bhatia, Executive Director		
ii)	Transaction with Key Management Person :-		
	Key Management Person Remuneration :	19,34,609	19,81,862
	(a) Shri. J.C. Bhatia		
	(b) Remuneration to Key Management Person : Shri. C. J. Bhatia	14,96,401	14,00,368
	(c) Rent to Mr. C J Bhatia for Bombay Sales Office	2,33,272	2,33,280

8. DEFERRED TAX COMPONENTS ARE AS UNDER :

	2013-14 Rupees	2012-13 Rupees
i) Depreciation	17,86,417	10,20,089
ii) Other	-	-
Total	17,86,417	10,20,089

9. CONTINGENT LIABILITIES :

- Company's Income Tax Assessments have been completed up to the Assessment year 2011-2012. 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 2009-10.
- Show Cause Notices/Demands for Excise/Customs duty/Income Tax claims raised by Department and contested by the Company are Rs.16.44 lacs (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.61,32,947/- (P.Y. Rs.56,77,287/-) 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.	
		<u>2013-14 (Rs.)</u>	<u>2012-13 (Rs.)</u>
(2) Accrued Gratuity	:	1,35,93,343/-	1,24,88,831/-
Fund value as on	:	<u>74,60,396/-</u>	<u>68,11,544/-</u>
Net Unfunded Gratuity Liability	:	<u>61,32,947/-</u>	<u>56,77,287/-</u>
(3) Defined Benefit obligation plan			
Opening Balance	:	68,11,544/-	61,72,827/-
Add : Amount credited during the year	:	8,63,856/-	9,60,780/-
Less : Amount paid during the year	:	8,22,547/-	9,10,743/-
Add : Interest credited during the year	:	<u>6,07,543/-</u>	<u>5,88,680/-</u>
Closing Balance	:	<u>74,60,396/-</u>	<u>68,11,544/-</u>
(4) Present value of past defined obligation plan	:	1,28,78,387/-	1,17,89,281/-

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

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

For and on behalf of the Board

P. J. Mankad
Partner
Membership No. 36010
FRN. 110228W

A. R. Master
Chief Financial Officer

Place : Mumbai
Date : 29th May, 2014

Kamlesh M. Shinde
Company Secretary

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

OTHER NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2014

SR. NO.	PARTICULARS	31.03.2014 Rupees	31.03.2013 Rupees
1	CONTINGENT LIABILITIES AND COMMITMENTS (To the extent not provided for)		
	(i) Contingent Liabilities		
	(a) Claim against the company not acknowledged as debts	16,44,518	15,40,388
	(b) Guarantees / Letters of Credit	24,17,407	58,60,673
	(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	2,946,889	48,99,763
	(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	1.20	4
	(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	PAYMENT TO THE AUDITORS AS		
	For Statutory Audit Fees	68,750	55,000
	For Taxation Matters	30,000	30,000
	For Company Law Matters	NIL	NIL
	For Management Services	20,000	20,000
	For Other Services	17,000	8,000
	For Reimbursement Of Expenses	22,651	20,253
	TOTAL	<u>1,58,401</u>	<u>1,33,253</u>
3	Value of Imports calculated on C.I.F basis by the Company during the Financial year in respect of		
	Raw Materials	2,32,11,173	7,49,69,438
	Componentrs And Spare Parts	4,67,300	6,52,385
	Capital Goods	67,24,842	61,62,450
	TOTAL	<u>30,403,315</u>	<u>8,17,84,273</u>
4	Expenditure in Foreign Currency during the Financial year on account of Books & Periodicals	NIL	NIL
	Membership Fees	NIL	NIL
	Foreign Travelling	NIL	1,42,027
	Fees and Taxes	NIL	NIL
	TOTAL	<u>NIL</u>	<u>1,42,027</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	33,05,766	1,49,671
	Interest and Dividends	NIL	NIL
	Other Income	NIL	NIL
	TOTAL	<u>33,05,766</u>	<u>1,49,671</u>

SR. NO.	PARTICULARS	31.03.2014 Rupees	31.03.2013 Rupees
7	Break up of Consumption		
	a) Raw Materials		
	Total Consumption	<u>28,07,03,050</u>	<u>24,85,49,631</u>
	Indigenous	23,35,43,998	17,67,88,432
	%	83.20	71.13
	Imported	4,71,59,052	7,17,61,199
	%	16.80	28.87
	b) Spare Parts And Components		
	Total Consumption	<u>1,14,46,950</u>	<u>1,03,76,189</u>
	Indigenous	1,05,92,484	97,58,263
	%	92.54	94.04
	Imported	8,54,466	6,17,926
	%	7.46	5.96
8	Consumption Of Raw Materials		
	Cobalt	1,92,20,777	1,89,21,032
	Tanbc	54,33,804	52,63,600
	Tungsten Carbide Powder	26,37,237	2,67,34,117
	Blue Tungsten Oxide	1,85,97,280	1,98,90,690
	Fused Tungsten Carbide Powder	-	-
	Oxide of Metal	12,31,54,639	-
	Ammonium Para Tungstate	2,12,05,444	8,97,12,789
	Yellow Tungsten Oxide	8,28,59,234	6,29,60,940
	Cemented Carbides	30,01,709	1,95,16,889
	Others	45,92,926	55,49,574
	TOTAL	<u>28,07,03,050</u>	<u>24,85,49,631</u>
9	Turnover		
	Tungsten & Tungsten Carbide Products		
	a) Manufactured		
	i) Sintered	35,03,59,208	36,96,88,430
	ii) Intermediary Products	7,99,56,251	7,07,99,328
	b) Purchased		
	i) Resale Of Raw Material	12,86,040	11,88,242
	TOTAL	<u>43,16,01,499</u>	<u>44,16,76,000</u>
10	Opening/Closing Stock		
	Tungsten & Tungsten Carbide Products		
	a) Manufactured	1,81,63,110	1,98,08,201
	b) Purchased		NIL
	TOTAL	<u>1,81,63,110</u>	<u>1,98,08,201</u>



RAPICUT CARBIDES LTD.

Registered Office:Plot No.119, GIDC Industrial Area, Ankleshwar - 393 002 (Gujarat).

CIN: L28910GJ1977PLC002998

FORM NO. MGT -11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):

Registered address:

E-mail ID:

Folio No. / DP ID and Client ID:

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

1. Name: E-mail ID:

Address

Signature, or failing him/her

2. Name: E-mail ID:

Address

Signature, or failing him/her

3. Name: E-mail ID:

Address

Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37th Annual General Meeting, to be held on Saturday, 20th September, 2014 at 12.00 Noon. at Hotel Sadanand, Rajpipla Road, Ankleshwar - 393 002, (Gujarat) and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

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

Resolution No.	Description	For	Against
1	Adoption of Audited Balance Sheet as at 31st March, 2014 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.		
2	Declaration of Dividend.		
3	Reappointment of Shri. C.G.Cholera, who retires by rotation.		
4	Appointment of M/s. D. N. Shukla & Company, Chartered Accountants, the retiring Auditors as Auditors of the Company & to fix their remuneration.		
5	Reappointment of Shri. C.J. Bhatia as Executive Director.		

Signed this day of 2014.

Affix
 Re.1/-
 Revenue
 Stamp

 Signature of shareholder

.....
 Signature of first proxy holder Signature of second proxy holder Signature of third proxy holder

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

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a Member of the Company.
3. In case the Member appointing proxy is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorised by it and an authenticated copy of such authorisation should be attached to the proxy form.
4. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
5. Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.
6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

CERTIFICATE



Management system as per
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 & Sale of Tungsten and Tungsten Carbide Products for
Mining and Engineering Applications**

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

Valid until **04.08.2017**
Valid from **04.08.2014**
Initial certification **02.06.2009**

A handwritten signature in black ink that reads "S.K. Kulkarni". The signature is written in a cursive style with a horizontal line underneath.

Certification Body
at TÜV NORD CERT GmbH

Issue **16.07.2014**
Place : **Mumbai**

COLOUR XEROX

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

BOOK POST

To,

From :

If undelivered please return to :

RAPICUT CARBIDES LIMITED

Registered Office :

Plot No. 119, GIDC,

Ankleshwar - 393 002.



Rapicut Carbides Limited



Regd. Office & Works :

119, GIDC Industrial Area,
Ankleshwar - 393 002, Gujarat (India)
Tel. : ++91 (2646) 251118, 221071, Fax : 251019
e-mail : info@rapicutcarbides.com
Web site : www.rapicutcarbides.com
CIN : L28910GJ1977PLC002998

CERTIFICATE NO. : 04 100 990693-E3

FORM A

Format covering letter of the Annual Audit Report for the FY 2013-14 to be filed with the Stock Exchanges.

1.	Name of the Company	Rapicut Carbides Limited
2.	Annual Financial Statements for the year ended	31 st March, 2014
3.	Type of Audit observation.	Unqualified
4.	Frequency of observation.	Not applicable
5.	Signed by –	
	Mr. J. C. Bhatia Managing Director	
	Mr. A.R. Master (Chief Financial Officer)	
	D.N. Shukla & Co. Chartered Accountants (Statutory Auditor)	
	Mr. B.V. Dholakia (Chairman of Audit Committee)	