

Rapicut

An ISO 9001-2000 Company

32

**THIRTY SECOND
ANNUAL REPORT
2008-09**

Rapicut Carbides Limited

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.



J.C. BHATIA
Managing Director

BOARD OF DIRECTORS

J.C. Bhatia	Managing Director
L.M. Bijlani	Director
K.S. Joshi	Director
C.G. Cholera	Director
C.J. Bhatia	Executive Director

Management Team

I.U. Chalanga
Vice-President (Works)

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

R.V. Krishnan
Sr. Manager (Marketing)

Sr. Technical Consultant

P.A. Kale

Registrar & Share Transfer Agents

Sharex Dynamic (India) Pvt. Ltd.,
17/B, Dena Bank Building, 2nd Floor,
Horniman Circle, Fort,
Mumbai - 400 001

Bankers

State Bank of India

Auditors

D. N. Shukla & Company
Chartered Accountants

Legal Advisors

Kumar Associates
Advocates & Consultants

Registered Office & Works:

119, GIDC Industrial Area,
Ankleshwar - 393 002

Area Sales Offices At:

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

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

134, S.F. Arjun Nagar,
Safdarjung Enclave,
New Delhi - 110 029

7, Shivaji Housing Society,
Off Senapati Bapat Marg,
Pune - 411 016

No. 2/39, 1st Floor,
Thiru-Vi-Ka Street,
Essa Pallavaram,
Chennai - 600 043.

32nd ANNUAL REPORT

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NOTICE

Notice is hereby given that the THIRTYSECOND ANNUAL GENERAL MEETING of the Members of RAPICUT CARBIDES LIMITED will be held on Saturday, 26th September, 2009, 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, 2009 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors & Auditors thereon.
- 2) To declare dividend on Equity Shares for the year ended 31-03-2009.
- 3) To appoint a Director in place of Shri. L.M.Bijlani, who retires by rotation and being eligible, offers himself for reappointment.
- 4) To appoint a Director in place of Shri. K.S.Joshi, who retires by rotation and being eligible, offers himself for reappointment.
- 5) To appoint M/s. D. N. Shukla & Company, Chartered Accountants, the retiring Auditors as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting & to fix their remuneration.

SPECIAL BUSINESS:

- 6) To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Shri.Chetan G.Cholera, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 28th April, 2009 and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, read with Article 36(e) of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing alongwith a deposit of Rs.500/- from a member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company, liable to retire by rotation."
- 7) To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Shri.Chandrashekhar alias Chander J.Bhatia, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 1st June, 2009 and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, read with Article 36(e) of the Articles of Association of the Company, and in respect of whom the Company has received a notice in writing alongwith a deposit of Rs.500/- from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
- 8) To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), the Articles of Association of the Company and 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 appointment of Shri.Chandrashekhar alias Chander J.Bhatia as a "Whole-time Director " designated as "Executive Director" of the Company, for a period of five years commencing from 1st June, 2009 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.

OVERALL REMUNERATION:

Subject to the provisions of Sections 198, 269, 309, 310 & 314 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, the remuneration payable to Shri.Chandrashekhar alias Chander J.Bhatia, Executive Director, in any financial year shall not exceed 5% (five percent) of the net profits of the Company.

MINIMUM REMUNERATION:

Where in any financial year during the currency of the tenure of Shri.Chandrashekhar alias Chander J.Bhatia, Executive Director, the Company has no profits or its profits are inadequate, the remuneration payable to Shri.Chandrashekhar alias Chander J.Bhatia, will be according to the applicable provisions of Schedule XIII of the Act. Within the aforesaid ceiling, the remuneration payable to Shri.Chandrashekhar alias Chander J.Bhatia, Executive Director, shall be as follows:

- i) Salary: Rs.40,000/- (Rupees Forty Thousand) Per Month or such salary as may be decided by the Board of Directors upon the recommendation of the remuneration committee.
- ii) Housing:
 - a) In case of furnished accommodation, hired by the Company, such expenditure not exceeding 40% of the salary payable to Shri.Chandrashekhar alias Chander J.Bhatia.
 - b) In case no accommodation is provided by the Company, Shri.Chandrashekhar alias Chander J.Bhatia shall be entitled to House Rent allowance subject to the ceiling laid down in (a) above.

The expenditure incurred by the Company on gas, electricity, water, and furnishing shall be valued as per the Income-tax Rules, 1962, subject to ceiling of 10% of the salary of Shri.Chandrashekhar alias Chander J.Bhatia.

- iii) Medical Reimbursement:

Reimbursement of the expenses incurred by Shri Chandrashekhar alias Chander J.Bhatia for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

- iv) Leave Travel Concession:

Leave Travel Concession for Shri.Chandrashekhar alias Chander J.Bhatia and his family, once in a year incurred in accordance with the Rules of the Company.

- v) Personal Accident Insurance:

Personal Accident Insurance of an amount, the annual premium of which shall not exceed Rs.4,000/-.

Other Benefits:

- a) Leave: 30 days leave once in every year of service, with liberty to encash unavailed leave at the end of his tenure.
- b) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961; gratuity at a rate not exceeding half a month's salary for each completed year of service and encashment of unavailed leave at the end of tenure shall not be included in the computation of the ceiling on remuneration in terms of Schedule XIII of the Companies Act, 1956.
- c) 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 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. Personal long distance calls and use of Car for personal purpose shall be billed by the Company to Shri.Chandrashekhar alias Chander J.Bhatia.

Other Material Terms:

- a) 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.
- b) No sitting fees shall be paid for attending the meeting of the Board or any Committee thereof.
- c) 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.
- d) The Executive Director shall not directly or indirectly engage himself in any employment or business without the previous sanction of the Board of Directors.

- e) He shall devote his substantial time and attention to the business of the Company, perform his duties truly and faithfully and comply with the directives given to him from time to time by the Board and further he shall not disclose to any person, firm or company any confidential information.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such actions and do all such things as may be necessary or desirable to give effect to this resolution.”

By Order of the Board of Directors

J.C. Bhatia

Managing Director

Registered Office:
Plot No.119, GIDC,
Ankleshwar - 393002
Date: 29-07-2009

NOTES

- 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.**
- Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business to be transacted at the General Meeting is annexed hereto and forms part of this notice.
- The Register of Members and Share Transfer Books of the Company will be closed from **Wednesday, 23rd September, 2009 to Friday, 25th September, 2009** (both days inclusive).
- 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.
- The dividend as recommended by the Directors, if declared at the meeting, will be paid after 26th September, 2009 to those Members whose names appear on the Register of Members on 25th September, 2009 or to their mandatees. Partly paid shares will be eligible for dividend on pro-rata basis.
- 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.
- Pursuant to section 205-A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of payment is required to be transferred to Investor Education and Protection Fund of the Central Government and accordingly all unclaimed dividend 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 205-A of The Companies Act, 1956. Please note that as per Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the said Fund in respect of individual amounts which remain unclaimed or unpaid for a period of seven years from the date of payment and no payment shall be made in respect of such claims.
- 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.
- Pursuant to the provisions of Section 109A of the Companies Act, 1956, members are entitled to make a nomination in respect of the shares held by them. Members desirous of making nominations are requested to submit Form No.2B (which may be obtained from the Company's Secretarial Department) duly filled in and signed by them to the Company's Registrars & Share Transfer Agents in case of shares held in Physical Form and to the Depository Participants in case of shares held in electronic form.
- Members are requested to bring their copy of Annual Report to the Annual General Meeting.

ANNEXURE TO NOTICE

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

The following Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, sets out all material facts relating to the business mentioned in item Nos. 6, 7 & 8 of the accompanying Notice dated 29th July, 2009.

ITEM NO.6

Shri.Chetan G.Cholera was appointed by the Board of Directors as an Additional Director with effect from 28th April, 2009, under Article 36 (e) of Articles of Association of the Company and Section 260 of the Companies Act, 1956, and holds office up to the date of this Annual General Meeting. As required by Section 257 of the said Act, a Notice along with the requisite deposit of Rs.500/- has been received from a member signifying his intention to propose Shri.Cholera as a candidate for the office of the Director of the Company.

Shri.Cholera obtained Diploma in Mechanical Engineering. He has work experience spanning over 23 years in as diversified areas as Capital Services and Management of a broad spectrum of investment portfolios. This has resulted in his maintaining close interactive liaison with several corporates with a view to understand evolving efficient business trends.

Considering the qualifications and diverse experience of Shri.Cholera, the Board feels that it will be in the interest of the Company to avail of his association as a Director of the Company.

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

None of the Directors, except Shri.Chetan G.Cholera, is interested in the Resolution, as it relates to his appointment.

ITEM NO.7 and 8.

Shri.Chandrashekhar alias Chander J.Bhatia, was appointed by the Board of Directors as an Additional Director with effect from 1st June 2009, under Article 36 (e) of Articles of Association of the Company and Section 260 of the Companies Act, 1956, and holds office up to the date of this Annual General Meeting. As required by Section 257 of the said Act, a Notice along with the requisite deposit of Rs.500/- has been received from a member signifying his intention to propose Shri.Bhatia as a candidate for the office of the Director of the Company.

The Board of Directors of the Company at its meeting held on 28th April, 2009, has also appointed Shri.Chandrashekhar alias Chander J.Bhatia as a Whole Time Director designated as "Executive Director" of the Company, for a period of 5 years with effect from 1st June, 2009, on the detailed terms as to remuneration and otherwise, as set out in the resolution under this item of notice.

Shri.Chandrashekhar alias Chander J.Bhatia is a graduate in Commerce and has over 25 years experience. He joined the Company as Vice President (Operations) in 2003.

Considering the background, competence and experience as also his association with the Company, his appointment as an Executive Director will in effect be elevation to the Board.Compared to the remuneration packages of similarly placed personnel of other corporate bodies in the country, his remuneration as set out in the resolution is considered to be fair, just and reasonable.

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 302 of Companies Act, 1956.

None of the Directors except Shri.Chandrashekhar alias Chander J.Bhatia and Shri.J.C.Bhatia, Managing Director is interested in this resolution.

By Order of the Board of Directors

J.C. Bhatia

Managing Director

Registered Office:
Plot No.119, GIDC,
Ankleshwar - 393002
Date: 29-07-2009

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the 32nd Annual Report and Audited Accounts of the Company for the year ended 31st March, 2009.

1. FINANCIAL RESULTS

(Rs.in Lacs)

	Year ended 31-03-2009	Year ended 31-03-2008
Sales and other income	1,917.92	2,021.36
Less: Excise Duty	211.70	260.77
Sales and Other Income (Net)	1,706.22	1,760.59
Profit before depreciation and tax (including deferred tax)	169.74	181.36
Profit after depreciation and tax	107.07	113.01
Add: Profit/(Loss) brought forward from previous year	2.27	(-) 85.34
Less: Prior year adjustment	(-) 2.52	(-) 0.26
Short provision of tax for earlier years	(-) 2.55	-
Profit available for appropriation	104.27	27.40
Appropriations:		
Proposed Dividend	25.78	21.48
Tax on Proposed Dividend	4.38	3.65
Transfer to General Reserve	50.00	-
Profit carried to Balance Sheet	24.11	2.27

2. DIVIDEND

Members are aware that after absorbing the entire brought forward losses, the Company paid 10% dividend in the previous year 2007-08 and thereby re-entered the dividend list.

In the year under review i.e. 2008-09, Company generated appreciably higher distributable profit and therefore Your Directors are pleased to recommend a higher dividend of 12%. Partly paid shares will be entitled to pro-rata dividend. The dividend, if approved by the Members at the Annual General Meeting will absorb Rs.30.16 Lacs (inclusive of Dividend Distribution Tax).

3. TRANSFER TO RESERVE

The Company proposes to transfer Rs.50.00 Lacs to the General Reserve and an amount of Rs.24.11 Lacs is proposed to be retained in the profit and loss account.

4. PERFORMANCE

In the background of demand slowdown and rising material costs as the Company entered financial year 2008-09, the first quarter sales and profit were significantly impacted.

However, the Company succeeded in closing the first half of the year at par with the corresponding period of the previous year, both, in terms of sales and profitability.

In the second half, selective reduction in selling prices to stimulate demand and consumption of stock build-up impacted margins.

In spite of the aforesaid volatility and see-saw movement in sales and profitability, net annual sales were only marginally lower by 3% and net profit by 5% compared to the previous year.

5. OUTLOOK FOR 2009-10

1. The year 2009-10 has taken off on a very healthy note. The surge in demand and profit margins is quite satisfying. This is amply reflected in the first quarter ended 30th June, 2009 results. Net sales at Rs.425 Lacs

are higher by 19% and net profit at Rs.40 Lacs is higher by 48% compared with corresponding figures for the first quarter of the previous year.

2. The stability in material costs is quite perceptible and this augurs well for the performance in the subsequent quarters.
3. Your Directors are reasonably confident that this trend will be sustained throughout the year.

6. REDUCTION OF SHARE CAPITAL / CONSOLIDATION OF PARTLY PAID SHARES

1. The Company came out with two Rights Issues, first in 1990 and the second in 1996. Both these Issues were for equity shares of Rs.10/- each at a premium of Rs.30/- per share.
2. As on 30-06-2008, out of the amount of Rs.247.80 Lacs of the first Rights Issue made in 1990 and Rs.534.11 Lacs of the second Rights Issue made in 1996, Company had yet to receive Rs.52,20,697.50 cumulatively for the said two Rights Issues, in spite of repeated extension of time.
3. With a view to give realistic picture of the net worth of the Company, pursuant to the resolution passed by the Members in the previous Annual General Meeting on 26th September, 2008, Company filed a petition in the Honourable High Court of Gujarat for reduction of its paid up share capital from Rs.2,67,05,680/- divided into 26,70,568 equity shares of Rs.10/- each to Rs.2,14,84,982/- divided into 21,48,498 equity shares of Rs.10/- each.
4. The Directors are pleased to report that Honourable High Court of Gujarat has, by its Order dated 13th July, 2009, sanctioned the reduction of the paid up share capital as prayed for in the Company's said Petition.

7. DIRECTORS

1. Since the last report was presented, Shri.S.S.Kumar, Chairman, stepped down and resigned as a Director of the Company. The Board wishes to acknowledge and place on record its deep appreciation of immense contribution made by Shri.Kumar, throughout his long association with the Company. As a legal luminary and doyen of corporate practice, Shri.Kumar guided the Company very ably, through thick and thin, with his seasoned counsel.
2. Shri.Chetan G.Cholera was appointed as Additional Director during the year, by the Board. Shri. Cholera brings with him 23 years of experience in diversified fields. The Board has commended Shri.Cholera's appointment as a Director in the ensuing Annual General Meeting.
3. Shri.Chandrashekhar alias Chander J.Bhatia was appointed as a whole time Director and designated as "Executive Director" during the year, by the Board. Shri.Bhatia joined the Company as Vice President (Operations) in 2003 and has since executed several onerous tasks assigned to him with exemplary efficiency and dedication. The Board has commended his elevation as a whole time Executive Director in the ensuing Annual General Meeting.
4. Shri.L.M.Bijlani and Shri.K.S.Joshi retire by rotation and being eligible, offer themselves for reappointment.

8. FIXED DEPOSITS

Out of the total fixed deposits with the Company, all deposits due for repayment as on 31st March 2009 were, as desired by the depositors, either repaid or renewed.

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

The Management is continuing its focus on deriving benefits on a sustained basis from all the measures initiated in the past and new initiatives taken in the previous year viz :

CONSERVATION OF ENERGY

Company has taken various measures to conserve energy in the energy intensive sections in the plant and these coupled with all the measures already taken by the Company in the past are yielding significant gains.

UPGRADATION OF TECHNOLOGY

As mentioned in the earlier Reports, Company has put into practice several suggestions by experts to carry out refurbishing certain equipment by carrying out modifications leading to upgradation in a very significant manner. These measures have contributed to increase in productivity and measurable cost effectiveness.

FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rs. in Lacs)	
	<u>2008-2009</u>	<u>2007-2008</u>
Foreign Exchange earned	17.22	13.82
Foreign Exchange outgo	687.89	912.89

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 were in receipt of remuneration of Rs.24 Lacs or more for 12 months.

11. DIRECTORS RESPONSIBILITY STATEMENT

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

- a. In the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- b. Appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2009 and the Profit for the year ended 31st March, 2009.
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The Annual Accounts have been prepared on a going concern basis.

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. COMPLIANCE CERTIFICATE

As required under Section 383-A 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.

14. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

15. ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the continuous support received from the Company's bankers, customers and suppliers.

For and on behalf of the Board

Place : Mumbai
Date : 29-07-2009

K.S. Joshi **J.C. Bhatia**
Director *Managing Director*

COMPLIANCE CERTIFICATE (ANNEXURE TO DIRECTORS' REPORT)

To,
The Members,
RAPICUT CARBIDES LIMITED
(Corporate Identification Number – L28910GJ1977PLC002998)
119, GIDC Industrial Area,
Ankleshwar- 393 002,
Gujarat.

We have examined the registers, records, books and papers of Rapicut Carbides Limited ("the Company") as required to be maintained under the Companies Act, 1956, ("the Act") and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2009. In our opinion and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, and to the best of our knowledge and belief, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained the registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made thereunder and entries therein have been recorded.
2. The Company has filed the forms and returns as stated in **Annexure 'B'** to this certificate with the Registrar of Companies, Gujarat, Ahmedabad, Regional Director, Central Government, Company Law Board or other authorities under the Act and the rules made thereunder.
3. The Company is a Public Limited Company and hence comments under this paragraph are not required.
4. The Board of Directors met Five (5) times respectively on 30th April, 2008, 30th July, 2008, 26th September, 2008, 25th October, 2008 and 30th January, 2009 and the proceedings were recorded and signed in the Minutes Book maintained in loose leaf form for the purpose. The Company has not passed any resolution by circulation.
5. The Company has closed its Register of Members from 23rd September, 2008 to 25th September, 2008 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended 31st March, 2008 was held on 26th September, 2008, after giving due notice to the members of the Company and resolutions passed thereat were duly recorded in the Minutes Book maintained in loose leaf form for the purpose.
7. No Extraordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act during the financial year.
9. The Company has not entered into any contract falling within the purview of Section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under Section 301 of the Act.
11. During the year, the Company has not appointed any person holding office or place of profit falling within the purview of Section 314 of the Act.
12. The duly constituted Share Transfer Committee has approved the issue of duplicate share certificates.
13. The Company
 - (i) has delivered all the certificates on lodgment thereof for transfer in accordance with the provisions of the Act. There was no allotment/transmission of securities during the financial year.
 - (ii) has deposited the amount of dividend declared in a separate Bank Account on 21st October, 2008, after five days from the date of declaration of such dividend.
 - (iii) has posted warrants for dividends to all the members within period of 30 days from the date of declaration and that all unclaimed/ unpaid dividend has been transferred to Unpaid Dividend Account of the Company with State Bank of India, GIDC Industrial Area, Ankleshwar Branch, on 27th October, 2008.
 - (iv) was not required to transfer any amount to Investor Education and Protection Fund, since there was no amount, on account of unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, lying with the Company, and which was required to be transferred to the said fund.
 - (v) has duly complied with the requirements of Section 217 of the Act except the Directors' Report for the financial year ended 31st March, 2008 has been signed by the Managing Director singly.

14. The Board of Directors of the Company is duly constituted. There was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancies during the financial year.
15. The re-appointment of Managing Director has been made in compliance with the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956.
16. The Company has not appointed any sole-selling agents during the financial year.
17. As per information given by the officer of the Company, the Company
 - a) has presented before the Company Law Board a petition praying for condonation of delay and extension of time under section 141 of the Companies Act, 1956.
 - b) has made a petition to The High Court of Gujarat at Ahmedabad for reduction of share capital from Rs. 2,67,05,680/- divided into 26,70,568 Equity Shares of Rs. 10/- each to Rs. 2,14,84,980/- divided into 21,48,498 Equity Shares of Rs. 10/- each.
18. The Directors of the Company have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any redeemable preference shares/debentures and hence the question of redemption does not arise.
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 58 A read with Companies (Acceptance of Deposits) Rules, 1975 in respect of deposit accepted amounting to Rs. 45,11,000/- raised by the Company during the year and the Company has filed the copy of Statement in lieu of Advertisement as required with the Registrar of Companies, Ahmedabad Gujarat on 7th October, 2008. The Company has also filed return of deposit with Registrar of Companies.
24. The amounts borrowed by the Company from Banks during the financial year ended 31st March, 2009 are within the borrowing limits of the Company as per Section 293(1)(d) of the Act.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate during the financial year and consequently no entries have been made in the Register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the Objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. As per the information given by the management, no prosecution has been initiated against or show cause notices has been received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted its own Provident Fund for its employees and therefore the provisions of Section 418 of the Act are not applicable to the Company.

For DHOLAKIA & ASSOCIATES
Company Secretaries

Place: Mumbai
Date : 22-07-2009

CS B.V. Dholakia
Proprietor
C.P.No.507

Annexure A

Registers as maintained by the Company

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

Annexure B

Forms and Returns as filed by the Company, during the financial year ended 31st March, 2009.

i) With Registrar of Companies.

Sr. No.	Forms	Purpose
1.	Annual Accounts (Form 23AC and 23ACA)	U/s 220 of the Companies Act, 1956 as on 31st March, 2008 was filed on 14th October, 2008.
2.	Annual Return (Form 20B)	U/s 159 of the Companies Act, 1956 as on 26th September, 2008 was filed on 22nd November, 2008. The Form was rejected due to non submission of List of Shareholders.
3.	Fresh Annual Return (Form 20 B)	U/s 159 of the Companies Act, 1956 as on 26th September, 2008 was filed on 3rd March, 2009.
4.	Form 23	U/s 192 of the Companies Act, 1956, was filed on 14th October, 2008 in respect of registration of resolutions passed at the Annual General Meeting held on 26th September, 2008 for reduction of share capital from Rs. 2,67,05,680/- to Rs.2,14,84,980/- and re-appointment of Shri J. C. Bhatia, as Managing Director for a period of 5 years.
5.	Form 25 C	U/s 269 (2) and Schedule XIII of the Companies Act, 1956, was filed on 16th October, 2008 for re-appointment of Shri J. C. Bhatia, as Managing Director for a period of 5 years w.e.f. 1st August, 2008.
6.	Form 32	U/s 303 (2) of the Companies Act, 1956, was filed on 11th November, 2008 for cessation of Shri. S. S. Kumar as Director of the Company with effect from 25th October, 2008.
7.	Form 21	U/s 141 of the Companies Act, 1956 for receipt of Company Law Board Order dated 9th July, 2008 for condonation of delay and extension of time of Form 8 was filed on 31st July, 2008.
8.	Form 8	U/s 135 of the Companies Act, 1956, was filed on 12th June, 2008 in respect of modification of charges with State Bank of India with effect from 20th May, 2008.

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- | | | |
|-----|---------|---|
| 9. | Form 8 | U/s 135 of the Companies Act, 1956, was filed on 10th March, 2009 in respect of modification of charges with State Bank of India with effect from 27th February, 2009. |
| 10. | Form 61 | Copy of petition filed before the Company Law Board, Mumbai Bench, for condonation of delay in filing form no. 8 with Registrar of Companies, Gujarat, Ahmedabad was filed on 2nd June, 2008. |
| 11. | Form 62 | U/s 58 A of the Companies Act, 1956 was filed on 7th October, 2008 in respect of issue of Statement in Lieu of Advertisement. |
| 12. | Form 62 | Return of deposits pursuant to rule 10 of the Companies (Acceptance of Deposits) Rules, 1975 for the year ended 31st March, 2008 was filed on 1st July, 2008. |
| 13. | Form 23 | U/s 192 of the Companies Act, 1956 in respect of re-appointment of Shri J C Bhatia, as Managing Director made by Board of Directors at their meeting held on 30th July, 2008 for a period of 5 years, is yet to be filed. |
- ii) With Regional Director Not Applicable
- iii) With Central Government or other authorities.

Sr. No.**Purpose**

- | | |
|----|--|
| 1. | Petition dated 30th April, 2008 to Company Law Board for condonation of delay under Section 141 of the Companies Act, 1956 for filing Form 8 with the Registrar of Companies, Gujarat. |
| 2. | Petition dated 7th February, 2009 to High Court, Gujarat for reduction of share capital of the Company from Rs. 2,67,05,680/- to Rs. 2,14,84,980/-. |

For **DHOLAKIA & ASSOCIATES**
Company Secretaries

Place: Mumbai
Date : 22-07-2009

CS B.V. Dholakia
Proprietor
C.P.No.507

AUDITORS' REPORT

To,
The Members of
Rapicut Carbides Limited

1. We have audited the attached Balance Sheet of RAPICUT CARBIDES LIMITED as at 31st March, 2009, the related Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
4. In our opinion, proper Books of Accounts as required by the law have been kept by the Company so far as appears from our examination of those books.
5. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
6. In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
7. On the basis of the written representations received from the Directors as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in Terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
8. In our opinion and to the best of our information and according to the explanation given to us the said accounts, read together with Notes to Accounts as referred in **Schedule – L, Note No. 8 regarding outstanding Sundry Debtors**, give the information required, by the Companies Act, 1956 in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company, as at 31st March, 2009;
 - ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - iii) in the case of the Cash Flow statement, of the Cash Flow for the year ended on that date.
9. As required by the Companies (Auditors' Report) Order 2003, issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure the matters specified in paragraph 4 and 5 of the said order.

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

Place: Mumbai
Date : 29-07-2009

P. J. Mankad
Partner

ANNEXURE TO THE AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 9 OF OUR REPORT OF EVEN DATE

- i)
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year, and the going concern status of the Company is not affected.
- ii)
 - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) The Company has neither granted nor taken any loans, secured or unsecured to and from Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the clauses 4 (iii) (b) to (d) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v)
 - a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 58 A and 58 AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. The Company Law Board has passed no order in respect of aforesaid deposits.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) Maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 has not been prescribed by the Central Government.
- 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, 2009 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 sales tax & excise duty which have not been deposited as the same are disputed .

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

Sr. No.	Name of the Statute	Name of the Dues	Forum where dispute is pending	Amount (Rs. in Lacs)
1.	Central Excise Act, 1944	Excise Duty	Commissioner (Appeal) CESTAT	0.10 9.45
			TOTAL	9.55

- 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 loans outstanding at the beginning of the year were applied for the purposes for which they were 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

P.J. Mankad
Partner

Place : Mumbai
Date : 29-07-2009

BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	Schedule	Rupees	31-03-2009 Rupees	31-03-2008 Rupees
I. SOURCES OF FUNDS				
1. SHAREHOLDERS' FUNDS				
a. Share Capital	A	2,14,84,982		2,14,84,982
b. Rservees & Surplus	B	5,71,02,292		4,99,18,044
			7,85,87,274	7,14,03,026
2. LOAN FUNDS				
a. Secured Loans	C	2,69,65,794		2,82,75,964
b. Unsecured loans	D	1,18,93,000		1,54,09,000
			3,88,58,794	4,36,84,964
TOTAL			11,74,46,068	11,50,87,990
II. APPLICATION OF FUNDS				
1. FIXED ASSETS	E			
a. Gross Block		6,24,93,529		6,66,51,860
b. Less: Depreciation		4,93,04,605		5,39,87,195
c. Net Block		1,31,88,924		1,26,64,665
d. Capital Work in Progress		-		3,63,022
			1,31,88,924	1,30,27,687
2. INVESTMENTS	F		4,02,750	4,02,750
3. DEFERRED TAX ASSETS			4,92,225	8,05,478
4. CURRENT ASSETS, LOANS & ADVANCES	G			
a. Inventories		6,35,33,010		5,86,63,823
b. Sundry Debtors		2,77,95,189		3,25,77,735
c. Cash & Bank Balances		2,32,93,829		1,65,94,015
d. Loans & Advances		1,42,20,379		1,55,91,097
SUB TOTAL		12,88,42,407		12,34,26,670
LESS: CURRENT LIABILITIES & PROVISIONS	H			
a. Liabilities		1,29,48,875		1,03,09,215
b. Provisions		1,25,31,363		1,22,65,380
SUB TOTAL		2,54,80,238		2,25,74,595
NET CURRENT ASSETS			10,33,62,169	10,08,52,075
TOTAL			11,74,46,068	11,50,87,990

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

P.J. Mankad
Partner

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

For and on behalf of the Board

J.C. Bhatia *Managing Director*
K.S. Joshi *Director*
C.G. Cholera *Director*
C.J. Bhatia *Executive Director*

Place : Mumbai
Date : 29-07-2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	Schedule	31-03-2009		31-03-2008
		Rupees	Rupees	Rupees
INCOME				
Sales (Gross)	I		19,11,16,804	20,15,87,691
Less: Excise Duty	J		(2,11,70,314)	(2,60,77,687)
Sales (Net)			16,99,46,490	17,55,10,004
Other Income	I		6,75,480	5,48,416
			<u>17,06,21,970</u>	<u>17,60,58,420</u>
EXPENDITURE				
Cost of material consumed	J	10,36,00,933		11,24,36,513
Payment to Employees	J	2,30,27,576		2,16,71,968
Operating & Other expenses	J	2,20,23,894		1,86,64,103
Depreciation	E	22,39,490		20,16,337
			15,08,91,893	15,47,88,921
Interest				
- Fixed Loans		24,28,818		31,03,451
- Others		25,66,397		20,46,801
			49,95,215	51,50,252
TOTAL EXPENDITURE			<u>15,58,87,108</u>	<u>15,99,39,173</u>
OPERATING PROFIT BEFORE TAXATION			1,47,34,862	1,61,19,247
Deferred Tax (current year)			(3,13,253)	9,81,358
Provision for taxation			(35,50,000)	(56,50,000)
Provision for Fringe Benefit Tax			(1,65,000)	(1,50,000)
NET PROFIT AFTER TAXATION			1,07,06,609	1,13,00,605
Profit/(Loss) Brought Forward from previous year			2.26.715	(85,33,997)
Prior period Adjustments			(2,51,388)	(26,258)
Prior Years Tax Adjustments			(2,54,610)	-
PROFIT AVAILABLE FOR APPROPRIATION			<u>1,04,27,326</u>	<u>27,40,350</u>
APPROPRIATIONS:				
Proposed Dividend			25,78,198	21,48,498
Dividend Distribution Tax			4,38,165	3,65,137
General Reserve			50,00,000	-
Profit carried to Balance Sheet			24,10,963	2,26,715
ACCOUNTING POLICIES	K			
NOTES TO ACCOUNTS	L			

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

P.J. Mankad
Partner

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

For and on behalf of the Board

J.C. Bhatia *Managing Director*
K.S. Joshi *Director*
C.G. Cholera *Director*
C.J. Bhatia *Executive Director*

Place : Mumbai
Date : 29-07-2009

SCHEDULE 'A' SHARE CAPITAL

PARTICULARS	31-03-2009 Rupees	31-03-2008 Rupees
AUTHORISED		
40,00,000 Equity Shares of Rs. 10 each (Previous year 40,00,000 Nos.)	<u>4,00,00,000</u>	<u>4,00,00,000</u>
ISSUED, SUBSCRIBED & CALLED UP		
26,70,568 Equity Shares of Rs. 10 each fully paid include: 2,95,000 Equity Shares issued as bonus shares & 60,384 Equity Shares allotted as fully paid up shares to share holders of erstwhile Gujarat Drillwell Pvt. Ltd. for consideration other than cash	<u>2,67,05,680</u>	<u>2,67,05,680</u>
Less: Calls in arrears (from other than Directors)	<u>52,20,698</u>	<u>52,20,698</u>
Paid up Capital	<u>2,14,84,982</u>	<u>2,14,84,982</u>
TOTAL	<u><u>2,14,84,982</u></u>	<u><u>2,14,84,982</u></u>

SCHEDULE 'B' RESERVES AND SURPLUS

PARTICULARS	31-03-2009 Rupees	31-03-2008 Rupees
A. Central / State Government Subsidy Balance as per last Balance Sheet	18,41,597	18,41,597
B. Share Premium Account Balance as per last Balance Sheet	4,49,43,418	4,49,43,418
C. General Reserve	50,00,000	-
D. Capital Reserve Balance as per last Balance Sheet	29,06,314	29,06,314
E. Profit & Loss A/C	24,10,963	2,26,715
TOTAL	<u><u>5,71,02,292</u></u>	<u><u>4,99,18,044</u></u>

SCHEDULE 'C' SECURED LOANS

PARTICULARS	31-03-2009 Rupees	31-03-2008 Rupees
A. FROM STATE BANK OF INDIA		
Cash Credit	1,60,76,114	1,86,62,203
W.C.D.L.(Repayment within one year Rs. 50,33,988/-)	50,33,988	-
Term Loan – Corporate Loan (Repayment within one year Rs. 56,33,333/-) (Secured by hypothecation of inventories and book-debts present and future, first charge over fixed assets & further secured by personal guarantee)	56,33,333	92,87,997
B. FROM ICICI BANK LTD . (Secured by hypothecation of specific vehicle) (Repayment within one year Rs. 1,15,630/- P.Y. Rs.1,03,404/-)	2,22,359	3,25,764
TOTAL	<u><u>2,69,65,794</u></u>	<u><u>2,82,75,964</u></u>

SCHEDULE 'D' UNSECURED LOANS

PARTICULARS	31-03-2009	31-03-2008
	Rupees	Rupees
A. Fixed Deposits	99,93,000	98,59,000
B. Interest Accrued on Non Convertible Debentures	-	36,50,000
C. Other Loans & Deposits	19,00,000	19,00,000
TOTAL	1,18,93,000	1,54,09,000

SCHEDULE 'E' FIXED ASSETS

(Amount in Rupees)

Sr. No.	ITEM	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Opening Balance 01-04-2008	Additions	Sales/ Disposal/ Transfers	Closing Balance 31-03-2009	Opening Bal- ance as on 01-04-2008	During the year	Deduction	Depreci- ation upto 31-03-2009	Closing Balance 31-03-2009	Opening Balance 01-04-2008
1.	Leasehold Land	3,52,174	-	-	3,52,174	1,08,151	3,557	-	1,11,708	2,40,466	2,44,023
2.	Buildings	1,17,06,279	-	-	1,17,06,279	65,51,871	3,90,990	-	69,42,861	47,63,418	51,54,408
3.	Plant & Machinery and Electrical Fitting	4,58,59,796	26,85,898	68,89,259	4,16,56,435	4,17,16,964	11,76,905	65,99,192	3,62,94,677	53,61,758	41,42,832
4.	Data Process Equipments	25,80,097	3,57,069	-	29,37,166	12,61,902	2,52,908	-	15,14,810	14,22,356	13,18,195
5.	Furniture Fixture & Office Equipments	40,28,973	16,322	-	40,45,295	32,15,727	2,13,299	-	34,29,026	6,16,269	8,13,246
6.	Vehicles	21,24,541	-	3,28,362	17,96,179	11,32,580	2,01,831	3,22,888	10,11,523	7,86,456	9,91,961
		6,66,51,860	30,59,289	72,17,621	6,24,93,528	5,39,87,195	22,39,490	69,22,080	4,93,04,605	1,31,88,923	1,26,64,665
7.	Capital work in Progress	3,63,022	-	3,63,022	-	-	-	-	-	-	3,63,022
	TOTAL	6,70,14,882	30,59,289	75,80,643	6,24,93,528	5,39,87,195	22,39,490	69,22,080	4,93,04,605	1,31,84,397	1,30,27,687
	PREVIOUS YEAR	6,63,09,648	37,62,091	30,56,857	6,70,14,882	5,34,52,585	20,16,337	14,81,724	5,39,87,195	1,30,27,687	1,28,57,063

SCHEDULE 'F' INVESTMENTS (AT COST)

PARTICULARS	31-03-2009	31-03-2008
	Rupees	Rupees
A. UNQUOTED – TRADE – LONG TERM		
1. In Government Securities- National Saving Certificates	12,000	12,000
2. Others –1575 Equity Shares of Bharuch Enviro Infrastructure Ltd.	15,750	15,750
B. QUOTED – TRADE – LONG TERM		
1. 7,000 Equity Shares of Rapicut Carbides Ltd. The said shares have devolved on the Company in lieu of 17,500 equity shares of Gujarat Drillwell Pvt. Ltd. pursuant to Gujarat High Court Order and are held in Trust on behalf of the Company.	1,75,000	1,75,000
2. 20,000 Nos of SBI Infrastructure Fund.	2,00,000	2,00,000
	4,02,750	4,02,750
Market Value of Quoted Shares	1,14,450	1,47,000
Market Value of Quoted SBI Infrastructure	1,79,000	2,14,600

SCHEDULE 'G' CURRENT ASSETS, LOANS AND ADVANCES

PARTICULARS	Rupees	31-03-2009 Rupees	31-03-2008 Rupees
A. CURRENT ASSETS			
1. Inventories (As certified by the Management, at cost or realisable value whichever is lower)			
a) Raw Materials	1,11,60,271		1,24,30,496
b) Consumables	78,20,006		67,43,509
c) Work - in - Progress	3,01,58,370		2,49,40,111
d) Finished Goods	1,43,94,363		1,45,49,707
		6,35,33,010	5,86,63,823
2. Sundry Debtors (Unsecured, considered good unless otherwise stated)			
a) Outstanding for more than 6 months	41,27,298		62,85,234
b) Other debts	2,36,67,891		2,62,92,501
		2,77,95,189	3,25,77,735
3. Cash and Bank Balances			
a) Cash in hand	42,704		38,990
b) Bank Balance (with Scheduled Banks)			
- In Current Account	45,83,933		40,40,025
- In Margin Money for LCs /BGs	36,67,192		25,15,000
- In Fixed Deposits	1,50,00,000		1,00,00,000
		2,32,93,829	1,65,94,015
B. LOANS AND ADVANCES (Unsecured considered goods)			
1. Advance recoverable in cash or kind	17,02,848		17,87,753
2. Advance Income tax (including fringe benefit tax)	96,06,134		89,96,339
3. Deposit Paid	16,03,528		14,06,531
4. Advances with Excise & Other Authorities	13,07,869		34,00,474
		1,42,20,379	1,55,91,097
TOTAL		12,88,42,407	12,34,26,670

SCHEDULE 'H' CURRENT LIABILITIES AND PROVISIONS

PARTICULARS		31-03-2009 Rupees	31-03-2008 Rupees
A. CURRENT LIABILITIES			
1. Sundry Creditors for Goods and Services (Net) (Amount due to Small, Medium & Micro- Rs.Nil)		43,04,679	22,67,764
2. Other Liabilities		81,06,080	76,65,872
3. Unclaimed Dividend		1,74,223	-
4. Interest Accrued but not due		3,63,893	3,75,579
		1,29,48,875	1,03,09,215
B. PROVISIONS			
1. Provision for Taxation		92,00,000	94,00,000
2. Provision for Fringe Benefit Tax		3,15,000	3,51,745
3. Provision for Dividend		25,78,198	21,48,498
4. Provision for Dividend Distribution Tax		4,38,165	3,65,137
		1,25,31,363	1,22,65,380
TOTAL		2,54,80,238	2,25,74,595

SCHEDULE 'I' SALES AND OTHER INCOME

PARTICULARS	Rupees	31-03-2009 Rupees	31-03-2008 Rupees
A. SALES (Net of Returns, Discount, etc.)		19,11,16,804	20,15,87,691
B. OTHER INCOME			
1. Miscellaneous Income	4,28,573		2,72,836
2. Interest (TDS Rs. 52,173/- & P.Y. Rs. 28,789/-)	2,32,219		2,72,418
3. Profit on sale of Assets	4,526		-
4. Dividend Received	10,162		3,162
		6,75,480	5,48,416
TOTAL		19,17,92,284	20,21,36,107

SCHEDULE 'J' MANUFACTURING AND OTHER EXPENSES

PARTICULARS	Rupees	31-03-2009 Rupees	31-03-2008 Rupees
A. COST OF MATERIAL CONSUMED/ SOLD			
1. CONSUMPTION OF RAW MATERIALS			
Opening Stock	1,24,30,496		1,23,40,707
Add : Purchases (net of returns, discounts etc.)	9,97,06,949		12,39,76,509
	<u>11,21,37,445</u>		<u>13,63,17,216</u>
Less : Closing Stock	1,11,60,271		1,24,30,496
		10,09,77,174	<u>12,38,86,720</u>
2. CONSUMPTION OF STORES, CYLPEBS & SPARES			
Opening Stock	67,43,509		50,90,979
Add : Purchases (net of returns, discounts etc.)	87,63,172		73,67,620
	<u>1,55,06,681</u>		<u>1,24,58,599</u>
Less : Closing Stock	78,20,006		67,43,509
		76,86,675	<u>57,15,090</u>
3. (INCREASE) / DECREASE IN STOCK OF FINISHED GOODS & WIP			
Opening Stock			
i) Finished Goods	1,45,49,707		1,06,24,046
ii) Work-in-Progress	2,49,40,111		1,17,00,475
	<u>3,94,89,818</u>		<u>2,23,24,521</u>
Less : Closing Stock			
i) Finished Goods	1,43,94,363		1,45,49,707
ii) Work-in-Progress	3,01,58,370		2,49,40,111
	<u>4,45,52,733</u>		<u>3,94,89,818</u>
		(50,62,915)	(1,71,65,297)
TOTAL COST OF MATERIAL CONSUMED / SOLD		10,36,00,934	<u>11,24,36,513</u>
B. EXCISE DUTY		2,11,70,314	2,60,77,687
C. PAYMENT TO AND PROVISION FOR EMPLOYEES			
Salaries, Wages, Bonus etc.	1,75,86,402		1,65,70,088
Company's Contribution to PF/FPF etc.	26,50,547		24,57,451
Staff & Labour Welfare Expenses	27,90,627		26,44,429
		2,30,27,576	<u>2,16,71,968</u>
D. OPERATING AND OTHER EXPENSES			
Repairs to Buildings	9,84,918		2,26,338
Repairs to Machinery	12,14,167		16,42,432
Repairs to Other Assets	3,03,464		2,81,786
Power & Fuel	76,62,518		62,75,438
Rent	6,77,133		4,87,139
Rates & Taxes	2,92,296		2,10,332
Grinding Charges on Finished Goods	41,774		8,046
Insurance	2,97,433		3,18,156
Travelling & Conveyance	8,14,655		7,73,050
Postage & Telephone	4,48,193		4,35,041
Professional Charges	16,65,291		15,93,683
Miscellaneous Charges	9,58,059		6,97,995
Freight on Despatch	9,07,116		7,70,954
Bad Debts	11,99,573		10,56,630
Other Selling Expenses	21,01,731		17,77,979
Loss on sale of Fixed Assets	-		51,375
Loss on Impairment of Assets	2,90,067		69,158
Printing & Stationery	3,99,603		3,57,336
Bank Charges & Other Financial Cost	5,41,297		3,73,889
Security & Service Charges	5,64,646		6,48,325
Water Charges	1,49,040		2,07,190
Commission Paid	5,10,920		4,01,831
		2,20,23,894	<u>1,86,64,103</u>
TOTAL		16,98,22,718	<u>17,88,50,271</u>

SCHEDULE 'K' 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

I. 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.

II. Raw Materials & Consumables

Valued at landed cost or realizable value whichever is less.

III. Work-in-Progress

Valued at cost incurred till the stage of completion as determined by the Management. In respect of sintered T.C. (scrap) 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.

IV. Due allowance is estimated and made for defective and obsolete stock based on past experience of the Company.

5. RETIREMENT BENEFITS

I. 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.36,52,440/- during the year being contingent in nature.

II. Leave, encashment is provided for at current encashable salary rate for the entire encashable unavailed leave balance on actual valuation bases.

6. EXCISE & CUSTOM DUTY

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

7. FOREIGN CURRENCY TRANSACTIONS

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

8. SALES

I. 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.

II. Sales are inclusive of excise duty thereon but net of sales tax/VAT & discount.

III. Sales returns are recognised as soon as the material 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. And 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.

SCHEDULE 'L'
NOTES FORMING PART OF ACCOUNTS FOR 2008-2009

PARTICULARS	2008-2009 Rupees	2007-2008 Rupees
1. Managerial Remuneration under Section 198 of the Companies Act, 1956 to Managing Director:		
i) Salary	7,20,000	7,20,000
ii) Contribution to PF/ FPF	86,400	86,400
iii) Perquisites	3,71,932	4,75,175
	11,78,332	12,81,575
2. Computation of Net Profit in Accordance with Sections 198 & 349 of the Companies Act, 1956: (In view of inadequate profit under section 198 & 349 of Companies Act, 1956, no commission was paid to Managerial Personnel, hence calculation is not given.)	-	-
3. Miscellaneous expenses include payment to:		
i) Auditors		
a) Audit Fees	50,000	50,000
b) Out of Pocket Expenses	11,331	11,693
c) Certification work	5,000	5,000
ii) Directors		
a) Sitting fees	50,000	65,000
4. Expenditure in Foreign Currency:		
i) Value of imports on CIF basis		
a) Raw Materials including goods-in-transit	6,73,20,388	9,06,58,915
b) General Stores/Consumables	14,68,912	6,30,728
5. Earning in Foreign Currency: FOB value of exports	17,22,081	13,82,596

6. ADDITIONAL INFORMATION PURSUANT TO PARA 4C AND 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956

i) Licensed, Installed & Utilised Capacity

CLASS OF GOODS	Licensed/ Registered Capacity	Unit	Annual* Installed Capacity	Actual* Production Qty.
Tungsten & Tungsten Carbide Products	N.A. (N.A.)	Kgs.	90,000 (90,000)	63,010 (67,203)

ii) Raw Materials Consumed

PARTICULARS	Unit	Qty.*	Consumption Value in Rupees
a) Cobalt	Kgs.	4355.65	1,95,04,214
	Kgs.	(4,900.22)	(1,29,73,527)
b) Blue Tungsten Oxide	Kgs.	44630	5,28,18,914
	Kgs.	(34,100)	(3,85,65,867)
c) Tungsten Trioxide	Kgs.	-	-
	Kgs.	(7,000)	(84,71,946)
d) Ammonium Para Tungstate	Kgs.	15212.9	1,50,36,978
	Kgs.	(7,531.50)	(68,56,578)
e) Tungsten Carbide Powder	Kgs.	4,494.90	74,58,088
	Kgs.	(31,542.11)	(4,44,09,497)
f) Used Tungsten Parts	Kgs.	3508	10,05,610
	Kgs.	(5,913.85)	(7,15,281)
g) Cemented Carbide Powder	Kgs.	-	-
	Kgs.	(1,040)	(15,97,481)
h) Others including Processing Charges	Kgs.	-	5,15,34,150
			(1,02,96,543)
TOTAL			10,09,77,174
			(12,38,86,720)

iii) Consumption of Imported and Indigenous Materials

PARTICULARS	Rupees	Percentage
a) Imported	7,75,39,757	76.79
	(9,15,11,614)	(73.86)
b) Indigenous	2,34,37,417	23.21
	(3,23,75,106)	(26.14)
TOTAL	10,09,77,174	100
	(12,38,86,720)	(100)

iv) Turnover

CLASS OF GOODS	Unit	Qty.*	Value in Rs.
Tungsten & Tungsten Carbide Products			
a) Manufactured	Kgs.	64,282	19,10,79,076
		(66,149)	(20,15,80,632)
b) Purchased	Nos.	35	37,728
Resale of products		(21)	(7,059)
TOTAL			19,11,16,804
			(20,15,87,691)

v) Stock of Goods Produced/Sold

CLASS OF GOODS	Unit	Opening Stock		Closing Stock	
		Qty*	Value Rs.	Qty*	Value Rs.
Tungsten & Tungsten Carbide Products					
a) Manufactured	Kgs.	5,990	1,45,49,707	4,718	1,43,94,363
		(4,936)	(1,06,24,046)	(5,990)	(1,45,49,707)
b) Purchased	Nos.	229	56,046	207	39,664
Resale of products		(246)	(58,020)	(229)	(56,046)

Note: Figures in brackets are in respect of previous year.

(*As certified by the management being a technical matter & accepted by the auditors as correct)

7. 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.

8. Sundry Debtors include debts outstanding for more than 5 years Rs. 7.97 lacs (P.Y. Rs. 3.23 lacs) approx. The management is hopeful of their recovery to the best of the efforts being put in and as such no provision for doubtful debts is made. Further we have relied on the management representation in respect of determining reuse / sale of T.C. scrap, worn out Cylpebs & acceptance of rejection claims.
9. Sundry Creditors for goods & services are net of advances given to various parties.
10. Exchange difference amounting to Rs.12,93,848/- (P.Y.Rs 15,46,628/-) has been adjusted in the cost of corresponding raw materials/consumables purchased/resale of materials.
11. The identification of suppliers as small scale industrial undertaking has been done on the basis of information to the extent provided by the suppliers to the Company. On this basis amount overdue to such units is exceeding Rs. ONE LAC is "NIL".
12. Provision for taxation has been made during the year as per completed Income Tax Assessment of the Company.
13. The Company is accounting the share premium on actual receipt basis. No provision for interest on unpaid calls has been made from 01.07.1997.
14. Earning per share:

	<u>31-03-2009</u>	<u>31-03-2008</u>
Face Value per share	Rs.10/-	Rs.10/-
Net Profit after tax	1,07,06,609	1,13,00,605
Number of Shares used in Computation of earning per share	26,70,568	26,70,568
Earning per share: Basic & diluted	Rs. 4.00	Rs. 4.23

15. 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 Carbide Products" as primary segment. The secondary segment is geographical which is given as under:

	<u>2008-09</u>	<u>2007-08</u>
	Rupees	Rupees
a) Sales & Services		
Within India	18,93,94,723	20,02,05,095
Outside India	17,22,081	13,82,596
b) Other Income		
Within India	6,75,480	5,48,416
Outside India	Nil	Nil
Total	<u>19,17,92,284</u>	<u>20,21,36,107</u>

16. Disclosure requirement as per AS -18 " Related Party Disclosure " issued by Insiitutue of Chartered Accountants of India.

	<u>2008-09</u>	<u>2007-08</u>
	Rupees	Rupees
i) Key Management Person: ShriJ.C. Bhatia, Managing Director		
ii) Transaction with Key Management Person and his relatives		
(a) Key Management Person Remuneration	11,78,332	12,81,574
(b) Remuneration to Key Management Person's son Mr. C J Bhatia	5,66,925	4,80,592
(c) Rent paid to Mr.C J Bhatia	1,80,000	75,000

17. Deferred tax components are as under:

	<u>2008-09</u>	<u>2007-08</u>
	Rupees	Rupees
i) Depreciation	4,92,225	7,97,892
ii) Other	-	7,586
Total	<u>4,92,225</u>	<u>8,05,478</u>

18. Contingent Liabilities:

- I. Counter Guarantee to State Bank of India in respect of guarantees given by Bank to third parties Rs. 20,56,681/- (P.Y. Rs.23,75,886/-).
- II. Outstanding Letters of Credit Rs. 1,58,22,005 /- (P.Y. Rs.1,01,31,150/-).
- III. Capital commitment remaining to be executed & not provided Rs. 1,25,000/- (P.Y. Rs. NIL).
- IV. Company's Income Tax Assessments have been completed upto the Assessment Year 2007-2008. In the opinion of the management, provision made in books is sufficient to cover liabilities in respect of pending assessments.
- V. Company's Sales Tax Assessments have been completed upto the Assessment Year 2005-2006. The Company has preferred appeals to concerned authorities which have been decided in Company's favour. However, Order giving effect to the relevant orders are yet to be received. Management has taken expert opinion that the provision made in the books is sufficient to cover the liabilities in respect thereof.
- VI. Show Cause Notices/Demands for Excise/Customs duty claims raised by Department and contested by the Company are Rs. 15.40 lacs (P.Y. Rs. 21.39 lacs). The Company has paid Rs. 5.85 lacs (P.Y. Rs. 10.84 lacs) under protest. Management has taken legal opinion that the provision made in the books is sufficient to cover the liabilities.
- VII. Gratuity payable as per revised accounting standard & actuarial valuation submitted by LIC of India amounting to Rs.36,52,440/- 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.

Withdrawal Rate : 1% to 3% depending on age.

Discounting Rate : 8% p.a.

Salary Escalation : 7% p.a.

19. Figures of the previous year have been re-grouped/re-arranged wherever necessary to conform to this year's classification.

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

P.J. Mankad
Partner

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

For and on behalf of the Board

J.C. Bhatia *Managing Director*
K.S. Joshi *Director*
C.G. Cholera *Director*
C.J. Bhatia *Executive Director*

Place : Mumbai
Date : 29-07-2009

**NOTES FORMING PART OF THE ACCOUNTS PART IV OF SCHEDULE-VI
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration Details		
Registration No.	L28910GJ1977PLC002998	
State Code		04
Balance Sheet Date		31-03-2009
II. Capital raised during the year		
Public Issue		NIL
Rights Issue		NIL
Bonus Issue		NIL
Private Placement		NIL
III. Position of Mobilisation and Deployment of Funds (Rs. in lacs)		
Total Liabilities		1174.46
Total Assets		1174.46
Sources of Funds		
Paid up Capital		214.85
Reserves & Surplus		571.02
Secured Loans		269.66
Unsecured Loans		118.93
Application of Funds		
Net Fixed Assets including Capital Work-in-Progress		131.89
Investments		4.03
Deferred Tax Assets		4.92
Net Current Assets		1033.62
IV. Performance of Company (Rs. in lacs)		
Turnover		1706.22
Total Expenditure		1558.87
Profit Before Tax		147.35
Profit After Tax (With Deferred Tax/FBT)		107.07
Earning Per Share		4.00
Dividend Rate %		12
V. Generic Names of Three Principal Products/Services of Company		
Item Code No.(ITC Code)		82090010
Product Description : Sintered Metal Carbides		
Item Code No.(ITC Code)		82079090
Product Description : Tool Room Products		
Item Code No.(ITC Code)		81011000
Product Description : Tungsten & Articles thereof		



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009 IN ACCORDANCE WITH THE REQUIREMENT UNDER CLAUSE 32 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE

	Year ended 31-03-2009	Year ended 31-03-2008
(Rs. in lacs)		
A. Cash flow from operating activities		
Net Profit before tax and extraordinary items	147.35	161.19
Adjustments for:		
Depreciation	22.39	20.16
Loss on Sale of fixed assets (Net)	2.85	1.21
Interest	47.63	48.78
	<u>72.87</u>	<u>70.15</u>
Operating Profit before working capital changes	220.22	231.34
Adjustments for:		
Trade and Other Receivables	61.53	(137.52)
Inventories	(48.69)	78.49
Trade Payables	29.05	34.70
	<u>41.89</u>	<u>(24.33)</u>
Cash Generated from Operation	262.11	207.01
Interest Paid	(49.95)	(51.50)
Direct Tax Paid	(37.15)	(58.00)
Dividend & Distribution Tax	(30.16)	(25.14)
	<u>(117.26)</u>	<u>(134.64)</u>
Cash flow before Extraordinary items	144.65	72.37
Extraordinary Items	<u>(5.05)</u>	<u>(0.26)</u>
Net Cash from Operating Activities	139.80	72.11
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(29.96)	(23.38)
Sale of Fixed Assets	.010	0.30
Sale of Investments	0	(2.00)
Interest Received	2.32	2.72
Net Cash used in Investing Activities	(24.54)	(22.36)
C. Cash Flow from Financing Activities		
Proceeds from Bank Borrowings	(12.06)	(3.97)
Repayment of Long terms Borrowings	(1.04)	(1.63)
Proceeds from Short terms Borrowings	(35.16)	(88.01)
Net Cash used in Financing Activities	(48.26)	(90.35)
Net Changes in Cash and Cash Equivalents (A+B+C)	67.00	(40.60)
Cash and Cash Equivalents as at 01.04.2008 (Opening Balance)	165.94	206.54
Cash and Cash Equivalents as at 31.03.2009 (Closing Balance)	232.94	165.94
	<u>67.00</u>	<u>(40.60)</u>

On behalf of the Board

J.C. Bhatia

Managing Director

Place : Mumbai
Date : 29-07-2009



PROXY FORM

Registered Office:

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



I/We _____ of
_____ being a
Member / Members of the above named Company, hereby appoint _____
_____ of _____ or failing him
_____ of
_____ as my/our Proxy to vote for me/us at the 32nd Annual General

Meeting of the Company to be held on Saturday, 26th September, 2009 and at any adjournment thereof.

Signed at _____ this _____ day of _____ 2009.

Affix
Re. 1/-
Revenue
Stamp

FOLIO No.: _____

DP ID/Client ID No.: _____

Notes :

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



CERTIFICATE

TUV NORD

Management system as per
DIN EN ISO 9001 : 2000

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

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

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

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

Certificate Registration No: 44 100 990693-E3
Audit Report No: 2.5-62/1999

Valid until: 04-08-2011
Initial certification 02-06-1999



Certification Body
at TÜV-NORD-CERT GmbH

Mumbai: 23-09-2008

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

TÜV-India Pvt. Ltd., 801, Raheja Plaza, 1, L.B.S. Marg, Ghatkopar (W), Mumbai - 400 086, India. www.tuvindia.co.in



TGA:ZM:07-06-0:0

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