

# MAGICUT<sup>®</sup>

## Annual Report 2012 - 13



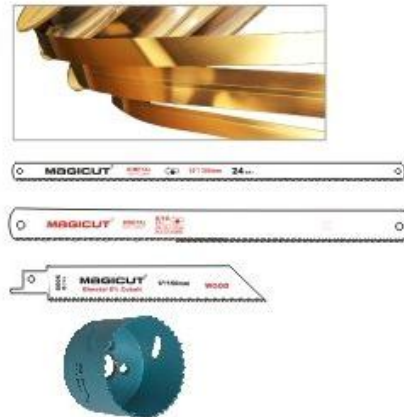
# Trident Tools Ltd

## GROWTH Driven by TECHNOLOGY & INNOVATION

### Speciality Products

- **Bimetal Strips:** India's First and only Greenfield Project for the Raw Material used to manufacture Hole Saws, Hacksaw, Bandsaw, Reciprocating Saw Blades.
- **8% Cobalt Hand Hacksaw Blades**
- **8% Cobalt Power Hacksaw Blades**
- **8% Cobalt Reciprocating Saw Blades**
- **Bimetal Hole Saws**

*FIRST TIME IN INDIA...*



### Patented Products

- Mini Hole Saws
- HHF002
- HHF004

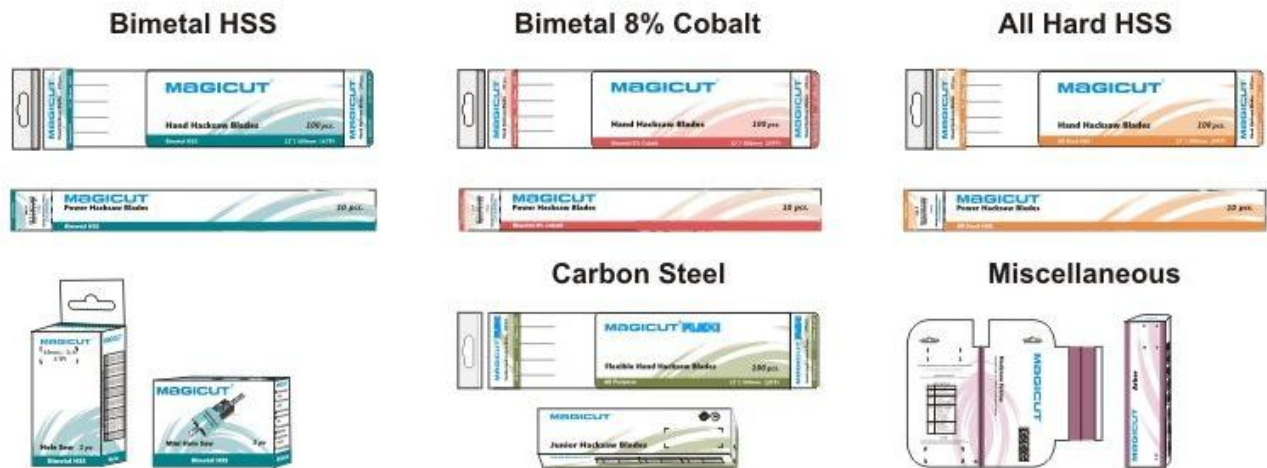


### Retail Pack



### Revolutionary Packaging

- Segregated by Colour



**EXPORTS to 6 Continents - Spread Over 45 COUNTRIES**

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## Annual General Meeting

Date : September 30, 2013

Time : 11.30 A.M

Registered office : Survey No. 26, Tembhode, Shirgaon Road, Dhansar Village, Palghar – 401,404

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### Registered Office & Factory

Survey no. 26, Tembhode  
Shirgaon Road, Dhansar Village  
Palghar – 401 404

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### Corporate Office

Hercules Estate, Ashok Nagar  
A.C. Road, Kandivali East  
Mumbai – 400 101

## Corporate Information

### Board of Directors

Narendra R Gupta	- Chairman & Whole Time Director
Ravi N Gupta	- Managing Director & Compliance Officer
Suresh Bhandary	- Independent Director
Satish Marathe	- Independent Director

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### Committees

#### Audit Committee

Suresh Bhandary	- Chairman
Satish Marathe	- Member
Narendra R Gupta	- Member

#### Investor Grievance Committee

Satish Marathe	- Chairman
Suresh Bhandary	- Member
Narendra R Gupta	- Member

#### Remuneration Committee

Narendra R Gupta	- Chairman
Satish Marathe	- Member
Suresh Bhandary	- Member

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### Statutory Auditors

**Girish Patel & Co.**  
F-103/104, Patel Nagar,  
M.G. Road, Kandivali (W)  
Mumbai-400 067

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### Banker

**Punjab National Bank**

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### Registrar & Share Transfer Agent

**Sharex Dynamic India Private Limited**  
Unit No. 1, Luthra Ind. Premises  
Safed Pool, Andheri Kurla Road  
Andheri East, Mumbai – 400 072.

**CHAIRMAN'S STATEMENT**

**Narendra R Gupta**  
**Chairman & Whole Time Director**

**Dear Fellow Shareholders**

It is my privilege to present to you Annual Report of your Company for the financial year ended 31<sup>st</sup> March, 2013. It has been another strong year for us. A year, where we continued to maintain and grow our leadership positions in all markets of direct operations. A year of heightened activity where we launched new products, expanded our product and consolidated our operations globally. This has not only helped us to create one of the most differentiated, quality businesses but also arguably one of the best and most exciting companies in the Cutting Tools industry.

Growth and Performance at MAGICUT is a never - ending quest for Excellence, engineered to deliver value; value that has enabled year- on- year sustained growth and leadership. At MAGICUT, excellence is derived from a culture that is engineered towards creating value across the entire organisation eco-system through perceptible differentiation. We have focused on three distinct elements of business for creating a differentiated paradigm – products, processes and people. Operational excellence and incremental innovation are common threads that run across our entire product and help us translate conceptual constructs into value - enhancing outcomes. An approach, that has not only made the Company one of the most innovative from a research and technical operations standpoint, but also an employer of choice.

FY 2012-13 proved to be a challenging year amidst global economic uncertainties and disturbances in many parts of the world. Several European economies experienced recession due to high unemployment, banking fragility, fiscal tightening and sluggish growth. The U.S. economy improved marginally. Among the Asian economies, China going through a political transition experienced considerably slow growth. Deceleration in industrial output and exports weakened India's economic growth significantly. Despite these constraints and challenging environment, the Company performed reasonably well.

An Excellence ethic, that has helped MAGICUT plug in some of the best growth numbers, During this eventual year, your company achieved a Gross Turnover of ` 52,87,53,973/- and a Net Profit of ` 1,26,55,215/-

The overall revenues have notched an impressive 31.67% year-on-year growth while operating profit have risen by 72.46% to ` 7,94,97,322/- from the previous year ` 4,60,95,571/-. Better working capital management across the business has led to surge in after-tax profit by 63.77% to ` 1,26,55,215/-.

The overall financial position of the company remains strong. More importantly, the performance of our company has shown healthy improvement quarter on quarter. Our business has demonstrated considerable improvement in terms of volume and pricing during the year, thus clearly pointing towards changing fortunes of our business, with the economy gearing towards improvement.

It gives us immense pleasure to write to you on the recent developments that have happened here at MAGICUT. It is our belief that Innovation and Growth never come with a finishing line, as these simply keep extending, and nothing highlights this better than here at MAGICUT.

- MAGICUT early this year started its plant for manufacturing Bimetal Bandsaw Blades
- In October 2012, MAGICUT set up India's first and only Greenfield Project for Bimetal Strips, the raw material used for manufacturing of Bimetal Bandsaw Blades, Hacksaw Blades, Reciprocating Saw Blades and Hole Saws
- MAGICUT is the first and only company in India to successfully manufacture Bimetal Hole Saws
- MAGICUT is the only company in India to manufacture high quality 8% Cobalt Saws for:
  - Hand Hacksaw Blades
  - Power Hacksaw Blades
  - Reciprocating Saw Blades
  - Hole Saws
- MAGICUT has set up one of the most advanced Research & Development capabilities in the country through which it has not only carried out the above, but also developed New Products for which it has already received necessary Patents detailed as under:
  - Mini Hole Saws - Patented Design No. 245404
  - HHF002 Aluminum Hacksaw Frames - Patented Design No. 242105
  - HHF004 Plastic Hacksaw Frames - Patented Design No. 242103
- The company has introduced Revolutionary Packaging for our range of products where these are segregated by colour. This is only available with FMCG products and we are amongst the first company's in the world to introduce this in the Tool segment.
- Furthermore MAGICUT is the first company to introduced Retail Packaging for Hand Hacksaw Blades and this is now extended to other products as well.
- Lastly we are pleased to share with you that MAGICUT is now Exporting to more than 45 Countries covering 6 Continents and having more than 100 Channel Partners spread all over India.

At MAGICUT, it is our constant endeavour to offer the best products and services. MAGICUT has evolved from a single saw manufacturing company to a ONE STOP SHOP FOR ALL SAWS. MAGICUT is the only company in India offering such a wide range of saws and among few elite international manufacturers having its own in-house raw material source.

MAGICUT has been able to make all this possible only due to the feedback and guidance from our esteemed users, channel partners, suppliers and stake holders. We have an experience, qualified and dedicated team who have taken MAGICUT to this position.

At this juncture, would like to take the opportunity of placing on record appreciation of all our employees and members of the management team at Trident Tools as it was only because of their dedication and commitment that we have been able to reach our set goals. Our employees are integral to our success and thank all members of the team for standing together in our effort.

The future holds immense promise for us and we are geared to measure up to every challenge that leaps at us. We have made a good start and shall take our learning into the next year with confidence, spirit and passion.

With Warm Regards

Sd/-  
Narendra R. Gupta  
Chairman & Whole Time Director

## NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF TRIDENT TOOLS LIMITED WILL BE HELD ON 30<sup>TH</sup> SEPTEMBER 2013 AT SURVEY NO.26, TEMBHODE SHIRGAON ROAD, DHANSAR VILLAGE, PALGHAR - 401 404 AT 11.30 A.M. TO TRANSACT THE FOLLOWING BUSINESS.

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### Ordinary Business:

1. **To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 and the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon:**

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

**"RESOLVED THAT** the audited Balance Sheet of the Company as at 31st March 2013 and Profit & Loss Account for the year ended on that date along with the schedules and annexure and report of directors placed before this meeting be and are hereby received, considered and approved.

2. **To declare dividend on equity shares for the year ended March 31st, 2013:**

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

**"RESOLVED THAT,** the recommendation of the Board of Directors for payment of dividend on 67, 50,000 fully paid Equity Shares of ₹ 10/- each at the rate of (Paisa 0.30 per share) to those holders of shares whose names appear on the register of members at the time of Annual General Meeting of the Company, be and is hereby approved and the dividend so declared".

3. **To re-appoint Auditors and fix their remuneration:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Girish Patel & Co., Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company.

**RESOLVED FURTHER THAT** the Statutory Auditors be paid such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors, plus reimbursement of out of pocket expenses."

4. **To acquire business assets of Narendra & Sons Strips LLP:**

WHEREAS, it is considered advisable for the Company to purchase and acquire all or substantially all of the business assets of Narendra & Sons Strips LLP as a going business concern, be it:

**RESOLVED That** the Company execute an agreement to purchase the business assets of Narendra & Sons Strips LLP all in accordance with a purchase agreement, and be it:

**RESOLVED FURTHER That** the Director Mr. Narendra R Gupta & Mr. Ravi N Gupta of the Company be authorized to execute such further documents and undertake such other acts as are reasonably required to carry out and consummate said transaction to purchase assets.

The undersigned hereby certifies that they are duly authorized representative for the custodian of the books and records and seal of Trident Tools Ltd, the Company duly formed pursuant to the laws of the state of Maharashtra and that the foregoing is a true record of a resolution duly adopted at a meeting of the Board of Directors and that said meeting was held in accordance with state law and the Memorandum & Articles of Association of the above named Company on 14th August 2013 and that said resolution is now in full force and effect without modification or rescission.

IN WITNESS WHEREOF, We have executed our name as Authorized Representative and have hereunto affixed the corporate seal of the above-named Company this 14th Day of August 2013

**NOTES:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the Company. The proxy form duly completed must reach the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in relation to the items of Special Business to be transacted at the meeting is annexed hereto as no special business to discuss in the meeting.
3. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days between 11.30 a.m. to 1.30 p.m. up to the date of Annual General Meeting.
4. The dividend on Equity Shares for the year ended 31<sup>st</sup> March 2013, recommended will be paid
  - i. to those members, holding shares in physical form, whose names appear in the Register of Members as on 23<sup>rd</sup> September 2013.
  - ii. in respect of shares held in electronic mode, on the basis of beneficial ownership, as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on 23<sup>rd</sup> September 2013
  - iii. The Register of Members and the Share transfer books of the Company will remain closed from 23<sup>rd</sup> September 2013 till 30<sup>th</sup> September 2013 (both days inclusive).
5. Members holding shares in physical form are requested to advice about change of address to Sharex Dynamic (I) Private Limited. Members holding shares in electronic form are requested to intimate their respective Depository Participants (DP) about any change of address or Bank mandate and not to the Company or Registrar and Transfer Agents.
6. Members / proxies should bring their attendance slip duly completed for attending the meeting.

**By Order of the Board of Directors**

**Ravi N Gupta**  
**Managing Director**  
**7<sup>th</sup> September 2012**

**Regd. Office:**  
Survey No.26, Tembhode Shirgaon Road  
Dhansar Village, Palghar-401 404.



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Annual Report on the operations of the Company together with the Audited Accounts for the year ended 31st March, 2013.

### Financial Highlights:

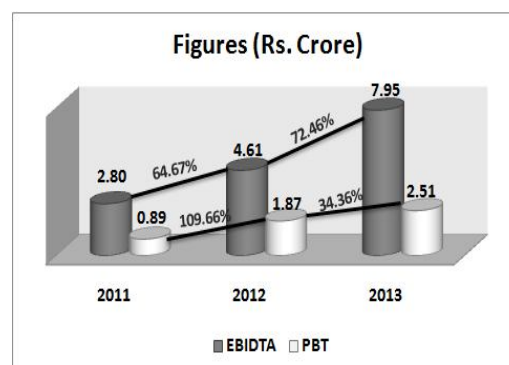
Particulars	(` in Lakhs) 2012-2013	(` in Lakhs) 2011-2012
Sales(Inclusive of Excise Duty/Service tax)	5287.54	4015.72
Other Income	24.27	2.40
Profit before Finance cost, Depreciation & Tax expenses	794.97	460.96
Finance cost	378.85	213.87
Depreciation	165.13	60.42
Profit before Tax	250.99	186.66
Current Tax	50.77	38.08
Deferred Tax	73.67	71.31
Profit for the year/ period	126.55	77.27

### Operations & Performance:

The global economy in the Financial Year (FY) 2012-13 improved slowly, but was short on expectations. Several European economies continue to experience recession due to high unemployment, banking fragility, fiscal tightening and sluggish growth. The U.S. economy improved marginally. Among the Asian economies, China going through a political transition experienced considerably slow growth. Deceleration in industrial output and exports weakened India's economic growth significantly.

FY 2012-13 proved to be a challenging year amidst global economic uncertainties and disturbances in many parts of the world. Despite these constraints and challenging environment, the Company performed reasonably well and the highlights of the performance are as under:

- Revenue from operations increased by **31.67%** to ` **52,87,53,973/-** from the previous year ` **40,15,72,101/-**.
- EBIDTA increased by **72.46%** to ` **7,94,97,322/-** from the previous year ` **4,60,95,571/-**.
- Profit before Tax increased by **34.36%** to ` **2,50,98,797/-** from the previous year ` **1,86,66,310/-**
- Net Profit increased by **63.77%** to ` **1,26,55,215/-** from the previous year ` **77,27,402/-**



Although the Company maintains adequate internal control systems covering all its operation areas. The Directors are putting in their further efforts and are hopeful of improved working during the years to come.

Barring unforeseen circumstances, your Directors are confident of achieving better results in the ensuing year.

**Dividend:**

The Board of Directors at its meeting held on May 28, 2013 declared dividend of 0.30 Paisa per equity share having face value of 10/- each. The dividend on Ordinary shares is subject to the approval of the Shareholders in the Annual General meeting. The total dividend pay-out for the financial year 2012-13 will be ₹ 23,53,506/- (includes dividend distribution tax ₹ 328506/-) (P.Y. ₹ 23,53,506/- includes dividend distribution tax ₹ 328506/-).

**Expansions Plans:**

It's our pleasure to inform you that during the year, your company has completed 2 big projects this year (*Bimetal Strip project, your company is first to manufacture this product in India & amongst the few in the world. Bimetal Band Saw project along with WELD Centre, this product is having a very high demand all over the world and again there are very few manufacture of this product in India*), with this your company will not only have higher value addition by reducing the raw material cost but will also be generating more revenue through direct sale of these Bimetal Strips along with Bimetal Bandsaw Blades both in the Domestic and International Markets.

**Scheme of Merger with Quickcut Engineering Company Private Limited:**

The Scheme of Arrangement filed by the Company has been approved by the Honorable High Courts of Judicature at Bombay by the order dated 05<sup>th</sup> July, 2013, with an appointed date of 1st April, 2012 and an effective date of 05<sup>th</sup> July, 2013 ('the Effective Date'), being the date on which all the requirements under the Companies Act, 1956 have been completed.

Pursuant to the Scheme, the Company will allot 49,50,000 equity shares of ₹ 10/- each to the shareholders of the Quickcut Engineering Company Private Limited (Transferor Companies) in the proportion of 99 Equity shares of ₹ 10/- each of the Trident Tools Limited (Transferee Company), for 1 Equity share of ₹ 10/- each held by the shareholder of the Transferor Company.

**Preferential Issue of Share Warrants:**

23,40,000 Warrants, where each warrant would entitle Snehal Multitrade Private Limited to subscribe to One Ordinary Share of the Company. As per SEBI (ICDR Regulation 2009), an amount equivalent to 100% of the price of warrants was received from Snehal Multitrade Private Limited. The Option to Convert Warrants into the Ordinary Shares is excisable by Snehal Multitrade private limited before 15<sup>th</sup> July 2013. This Issue of shares against warrant is subject to the approval of Merger from High Court as specified above. The Merger of the same has been approved from High Court on 05<sup>th</sup> July 2013, and the option to convert Warrants into the Ordinary Shares is excised by Snehal Multitrade Private Limited by 15<sup>th</sup> July 2013, and the same is approved and allotted.

**Internal Control Systems and their Adequacy:**

The Company has a proper and adequate system of controls in order to ensure that all assets are safeguarded against loss from unauthorised use or disposal. All transactions are properly checked, verified, recorded and reported correctly. Regular Internal Audit checks are carried out to ensure that the responsibilities are executed effectively and that proper and adequate systems are in place.

**Safety, Health and Environment:**

Your Company is giving utmost importance to safety, health and environment related issues. The employees are continuously educated and trained to improve their awareness and skills. All safety statutory requirements like licenses, mock drills under emergency conditions and fire extinguisher etc. are complied with. As a proactive approach, periodical safety audit is conducted to identify and eliminate possible potential causes of accidents. Your Company is certified for Quality Management Systems under ISO 9001:2008.

Your Company feels climate change as the greatest threat affecting economic stability, vulnerable communities and the society at large. The endemic depletion of natural resources and the destruction of fragile environmental and social systems through the second half of the last century have compelled us to review our development patterns. Your company is working towards increasing greenery around our plant and minimizing waste generation by promoting recovery, recycle and reuse. We have already planted about 6000 trees around our Palghar plant and are moving towards environmentally friendly technologies such as gas furnaces among other things.

**Management Discussion & Analysis Report:**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis Report, is made a part of the Annual Report.

**Insurance:**

All properties and insurable interests of the Company including Building and Plant & Machinery have been adequately insured.

**Human Resources:**

Your Company considers human resource to be an important and valuable asset for the organization. Therefore, constantly strives to attract, recruit and retain best talents for the current and future needs. The Company has taken-up the following initiatives:

1. Necessary training programmers i.e., technical and soft skills have been organized in association with external agencies.
2. Offering career growth at all levels.
3. Conducting programmers on Safety, Health and Environment.

The Employer -Employee relations have been generally cordial throughout the year.

**Auditors:**

M/s. Girish Patel & Co., Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Members are requested to appoint auditors for the current year and to authorize the Board to fix their remuneration.

**Auditors' Report:**

The observations made by the Auditors in their Report read with the relevant notes as given in the Notes on Accounts for the year ended 31<sup>st</sup> March, 2013 are self-explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

**Corporate Governance:**

Your Company complies with all mandatory requirements as stipulated under Clause 49 of the Listing Agreement of the Stock Exchanges. The Report on Corporate Governance along with the Auditors Certificate on its compliance, forms part of this Report and is annexed hereto.

**Directors' Responsibility Statement:**

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2013 and of the profit of the Company for that period;
- that the Directors have taken proper and sufficient care 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.
- that the annual accounts for the year ended March 31, 2013 have been prepared on a going concern basis.

**Fixed Deposits:**

The Company has not accepted any deposit from the public within the meaning of Section 58 A & 58 AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

**Particulars of Employees:**

The Company does not have any employee in receipt of remuneration equal to or exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended.

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

## A] Conservation of Energy and Technology Absorption:

- Company has taken effective steps at every stage to reduce energy consumption and conserve energy in all phases of operation.
- Your Company has been continuously upgrading facilities in order to minimize power consumption, maximizing on power factors at its manufacturing locations.
- Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed as Annexure 'A'.

## B] Foreign Exchange Earnings &amp; Outgo:

<b>PARTICULARS</b>	<b>2012-13</b>	<b>2011-12</b>
Foreign Exchange Earning	₹ 10,37,72,220	₹ 12,37,11,230
Foreign Exchange Outgo	₹ 4,71,05,364	₹ 8,53,78,922

**Acknowledgements:**

Your Directors take this opportunity to express their gratitude for the support and co-operation from the investors, Financial Institutions, Banks, Government authorities, and Customers Your Directors express their deep appreciation to the Company's employees at all levels for their unstinted efforts and valuable contributions during the year.

**For and on behalf of the Board**

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Place: Mumbai  
Date: 02<sup>nd</sup> September, 2013

**NARENDRA R GUPTA**  
**CHAIRMAN**

## Annexure - A

(Information under Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2012)

### A. CONSERVATION OF ENERGY:

- a. Energy conservation measures taken by using LPG Gas in new Furnace
- b. Further R & D work is being carried on for reduction of time cycle of the Process.
- c. Impact of measures of (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.  
The above measures have resulted in energy saving and consequent decrease in the cost of production.
- d. Details regarding Total Energy Consumption and Energy Consumption per unit of production are not applicable to any units of the Company.

### B. TECHNOLOGY ABSORPTION: Research & Development.

#### 1. Specific Areas in which R& D carried out by the Company:

Development of new types of Saws was undertaken during the year.

#### 2. Benefit derived as a result of the above R&D:

Meet market demand of new generation Saws, which are import substitute items and export products to overseas countries.

#### 3. Future Plan of action:

Future development of products such as Bimetal Strips being taken up.

#### 4. Expenditure on R&D:

- |  |   |                 |
|--|---|-----------------|
| a) Capital   | ) |                 |
| b) Recurring   | ) |                 |
| c) Total   | ) | Not Quantified. |
| d) Total R&D Expenditure as a Percentage of total turnover | ) |                 |

#### 5. Technology Absorption, Adaptation and innovation:

Process of Technology continued in the areas mentioned above.

## Management Discussion and Analysis Report

### Overview

The following operating and financial review is intended to convey the management's perspective on the financial condition and on the operating performance of the Company as at the end of the Financial Year 2012-13. The following discussion of the Company's financial condition and result of operations should be read in conjunction with the Company's financial statements, schedules and notes thereto and the other information included elsewhere in the Annual Report. The Company's financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India (SEBI) and the Generally Accepted Accounting Principles (GAAP) in India.

### Industry Structure and Opportunities

Your Company is engaged in the business of manufacturing of wide range of Saws and Tools like Hand Hacksaw Blades & Frames, Junior Hacksaw Blades & Frames, Power Hacksaw Blades, Bimetal Hole Saws, Accessories & Kits, Reciprocating Saw Blades, Air Saws Blades, Tool Bits, Bimetal strip and Bimetal Band Saw Blades. These are used in almost every sector for cutting of materials like angle, channel, flat plates, rods and such other things. They are also required in auto repairing shops, general repairing workshops, fitting shops, welding shops and technical institutes. To meet the customer demand is vital force that drives the organization towards higher performances standard of manufacturing and product quality. To achieve this at every stage of manufacturing cycle, the company has set of Six 'P' progress maxim based on Policy, Product, Process, Prevention, Protection and Project, enabling it to stay at the forefront of manufacturing technology. Our professionally qualified team of technologist and engineers ensure a high satisfactory level of products in all respects.

There is plenty of room for the company to grow in its existing fields of business, e.g. the company is constantly expanding its customer base with in the India in the dealer market and internationally as well. Growth in the existing business area is expected to come from market growth, further market penetration, the supply of existing customers in other regions and the enlargement of the product portfolio. Additional economies of scale will be achieved by means of further capacity utilization. The company will be able to achieve these targets with a minimum of capital expenditure since reserve capacities, already exist.

The future of Saws and Cutting Tools industry largely depends on the growth of industrialization, engineering sector, real estate, automobile sector etc. As India is emerging as one of the key auto, engineering centres and real estate in the world, the demand for Saws and Cutting Tools will increase.

### Threats/ Risks & Concerns

The major risks and concerns attributed to the performance of the company are:

1. Change in tax structure, change in government policies, development and stability of Indian economy against the negative external and internal forces may also impact the overall performance of the Company.
2. Profitability may be affected on account of competition from both existing manufacturers and imports of the company's products.
3. The Company is exposed to risks from market fluctuation of foreign exchange.

### Financial Performance

The year gone was full of achievements for the company. The company has improved its performance significantly in the previous year. It has gained the ability to have revenue stream from a number of industry sectors. The highlights of the performance are as under:

- Revenue from operations increased by **31.67%** to ` **52,87,53,973/-** from the previous year ` **40,15,72,101/-**
- EBIDTA increased by **72.46%** to ` **7,94,97,322/-** from the previous year ` **4,60,95,571/-**.
- Profit before Tax increased by **34.36%** to ` **2,50,98,797/-** from the previous year ` **1,86,66,310/-**
- Net Profit increased by **63.77%** to ` **1,26,55,215/-** from the previous year ` **77,27,402/-**

## Future Outlook

Demands for Saws and Cutting Tools are going to be high in the coming years in the market, thus the company has bright future and has built itself to face each and every market challenges. The long-term outlook of MAGICUT is positive, as the demand for its products grows at an enhanced rate. Looking at the growing demands for the Saws and Cutting Tools products, the company has already increased its installed capacity, introduced the backward integration projects, and added more products to the portfolio. Further Your Company seeks more to be cost effective high quality producer and is focus on maintaining its cost competitiveness by introducing a further backward integration projects, in order to avail benefits of large scale production at one place.

## Internal Control Systems and their Adequacy

The Company has a proper and adequate system of controls in order to ensure that all assets are safeguarded against loss from unauthorised use or disposal. All transactions are properly checked, verified, recorded and reported correctly.

Regular Internal Audit checks are carried out to ensure that the responsibilities are executed effectively and that proper and adequate systems are in place.

## Safety, Health and Environment

Your Company is giving utmost importance to safety, health and environment related issues. The employees are continuously educated and trained to improve their awareness and skills. All safety statutory requirements like licenses, mock drills under emergency conditions and fire extinguisher etc. are complied with. As a proactive approach, periodical safety audit is conducted to identify and eliminate possible potential causes of accidents.

Your Company is certified for Quality Management Systems under ISO 9001:2008.

Your Company feels climate change as the greatest threat affecting economic stability, vulnerable communities and the society at large. The endemic depletion of natural resources and the destruction of fragile environmental and social systems through the second half of the last century have compelled us to review our development patterns. Your company is working towards increasing greenery around our plant and minimizing waste generation by promoting recovery, recycle and reuse. We have already planted about 6000 trees around our Palghar plant and are moving towards environmentally friendly technologies such as gas furnaces among other things.

## Human Resources

Your Company considers human resource to be an important and valuable asset for the organization. Therefore, constantly strives to attract, recruit and retain best talents for the current and future needs.

The Company has taken-up the following initiatives:

- Necessary training programmes i.e., technical and soft skills have been organized in association with external agencies.
- Offering career growth at all levels.
- Conducting programmes on Safety, Health and Environment.

The Employer -Employee relations have been generally cordial throughout the year.

## Cautionary Statement

Statements in this Management Discussion and Analysis Report are based upon the data available with the Company and on certain assumptions having regard to the economic conditions, government policies, political developments within and outside the country etc. The management is not in a position to guarantee the accuracy of the assumptions and projected performance of the Company in future. It is, therefore, cautioned that the actual results may differ from those expressed or implied herein.

## Report On Corporate Governance

Corporate Governance is about commitment to values and about ethical business conduct. It is about how an organization is managed. This includes its corporate and other structure, its culture, policies and the manner in which it deals with various stakeholders. Accordingly, timely and accurate disclosure of information regarding the financial performance, ownership and material development affecting the Company, is an integral part of Corporate Governance. Adoption of good Corporate Governance practices helps to develop a good image of the organization, attracts best talent and keeps stakeholders satisfied.

### 1. Company Philosophy

Trident Tools Limited is committed to a good governance practices that create long term sustainable shareholder value. Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all its interactions with its shareholders, employees, the Government and the lenders.

### 2. Board of Directors

The company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The strength of the Board of Directors as on 31<sup>st</sup> March 2013 was four. Two were Executive Directors including Executive Chairman and Managing Director and two non-executive independent Directors.

During the year 7 Board Meetings were held on 14<sup>th</sup> May 2012, 21<sup>st</sup> May 2012, 14<sup>th</sup> June 2012, 14<sup>th</sup> August 2012, 9<sup>th</sup> November 2012, 11<sup>th</sup> November 2012, 8<sup>th</sup> February 2013. The composition of Board of Directors and their attendance at the Board Meetings during the year is as follows:

Name of Director	Nature of Directorship	No. of Board Meeting		No. of other Directorship	Committee Membership		Attended last AGM
		Held	Attended		Member	Chairman	
Narendra R Gupta	Executive Chairman	7	7	18	3	2	Yes
Ravi N Gupta	Managing Director	7	7	13	1	0	Yes
Satish K Marathe	Independent Director	7	5	-	3	1	Yes
Suresh V Bhandary	Independent Director	7	5	-	3	1	-

\* Independent Director means a director defined as such under Clause 49 of the Listing Agreement

\* The Directorship held by Directors as mentioned above, does not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

\* In accordance with Clause 49 of the Listing Agreement, Memberships/ Chairmanships of only the Audit Committee and Shareholders'/ Investors' Grievance Committee of all Public Limited Companies have been considered.

### 3. Audit Committee

#### Composition:

The Audit Committee comprises of two Non-executive Independent Directors and one Executive Director of the Company, The Audit Committee met four times during the year on, 14<sup>th</sup> May 2012, 14<sup>th</sup> August 2012, 9<sup>th</sup> November 2012, 8<sup>th</sup> February 2013, Attendance of the members at the meeting was as follows.



Sr. No.	Name	Status	No. of Meetings attended
1	Suresh V Bhandary	Chairman	4
2	Satish K Marathe	Member	4
3	Narendra R. Gupta	Member	4

Mr. Ravi Gupta, Managing Director of the Company is a permanent invitee to the said Audit Committee meetings.

#### 4. Remuneration Committee

##### Composition:

Shri Narendra R. Gupta - Chairman  
 Shri Satish K Marathe-Member  
 Shri Suresh V Bhandary - Member

The board terms of reference of Remuneration Committee are to determine and recommend to the Board, compensation payable to Directors and Managerial Personnel. No Remuneration Committee meeting was held during the year.

#### 5. Shareholders'/ Investors Grievance Committee

##### Composition:

Shri Satish K Marathe - Chairman  
 Shri Narendra R. Gupta -Member  
 Shri Suresh V Bhandary - Member

The Shareholders'/ Investors Grievance Committee was re-constituted on revocation of suspension of the Company by BSE.

The Company received 10 complaints during the year 2012-2013 and all the complaints were redressed. There were no outstanding complaints as on 31st March, 2013.

Mr. Ravi N Gupta, Managing Director is the Compliance Officer under the relevant SEBI directions.

Compliance Officer:	
Name:	Mr. Ravi N Gupta, Managing Director
Address:	Trident Tools Ltd Survey No. 26 Tembhode Shirgaon Road, Dhansar Village, Palghar – 401 404.
Phone No. :	(022) 2884 7191
Fax No. :	(022) 2846 2388
E-mail :	info@magicuttools.com

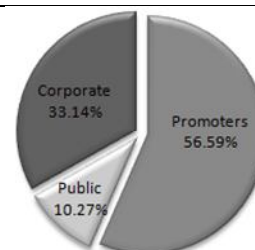
Pursuant to new Clause 47(f) of the listing agreement, the Company's E-mail ID for grievance redressed purpose is investor@magicuttools.com, where complaints can be lodged by the investors.

#### 6. Means of Communication:

The Company publishes quarterly un-audited financial results, notices and other advertisements in Free Press Journal English daily and Navashakti, a Marathi daily, regularly.

## 7. General Shareholder's Information

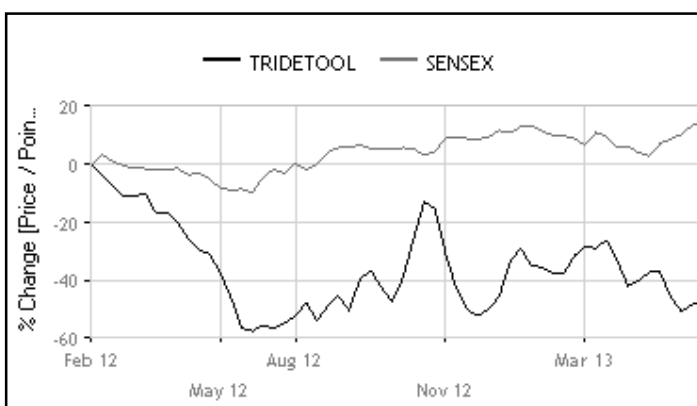
Registered Office& Factory	Trident Tools Limited Survey No. 26, Tembhode Shirgaon Road Dhansar Village, Palghar – 401 404.	
Corporate Office	Trident Tools Limited Hercules Estate, Ashok Nagar, A.C. Road Kandivali East, Mumbai – 400 101.	
Annual General Meeting	Date and Time:30 <sup>th</sup> September 2013 at 11:30 A.M. Venue: Trident Tools Limited, Survey No. 26, Tembhode Shirgaon Road, Dhansar Village, Palghar – 401 404. Dividend payment date : within 7 <sup>th</sup> October 2013 Date of Book Closure: 23 <sup>rd</sup> Sept. 2012 to 30 <sup>th</sup> Sept.2013	
Financial Calendar (Tentative)	<ul style="list-style-type: none"> <li>o Results for the quarter ending 30<sup>th</sup> June 2013 by 14<sup>th</sup>August 2013</li> <li>o Results for the quarter ending 30<sup>th</sup> September 2013 by 14<sup>th</sup> November 2013</li> <li>o Results for the quarter ending 31<sup>st</sup> December 2013 by 14<sup>th</sup> February 2014</li> <li>o Results for the quarter/year ending 31<sup>st</sup> March 2014 by 14<sup>th</sup> May 2014</li> <li>o Next Annual General Meeting (next year) by 30<sup>th</sup> September 2014</li> </ul>	
Listing on Stock Exchanges and Stock Code	Bombay Stock Exchange Limited, Mumbai and Stock Code (Stock Code : 531972) Annual Listing Fee (as applicable) paid up to 2013– 14	
Demat ISIN in NSDL and CDSL for Equity Shares	ISIN INE179D01018	
Registrar & Transfer Agents	<b>Sharex Dynamic (India) Private Limited</b> Unit no 1, Luthra Ind. Premises, 2 <sup>nd</sup> Floor, Andheri-Kurla Road, Safed Pool, Andheri (E), Mumbai -400072 <b>Tel.</b> : 022-28515606 , 28515644 <b>Fax</b> : 022-28512885 <b>Email:</b> sharexindia@vsnl.com	
Shareholding Pattern: 1. Promoter & Promoter Groups 2. Public individual Shareholding 3. Public Body Corporate <b>Total</b>	<b>No. of Shares</b> 3819580 693355 2237066 <b>6750000</b>	<b>Percentage %</b> 56.59% 10.27% 33.14% <b>100.00%</b>



## 8. Market Information

Monthly High and low quotation of shares traded on Bombay Stock Exchange Ltd. (BSE)

Month	BSE	
	High	Low
Apr-12	22.65	19.50
May-12	19.15	11.75
Jun-12	12.94	11.73
Jul-12	12.55	12.55
Aug-12	14.51	13.17
Sep-12	15.17	12.76
Oct-12	19.85	13.71
Nov-12	27.00	16.00
Dec-12	18.35	13.20
Jan-13	20.14	14.54
Feb-13	19.05	17.15
Mar-13	23.70	16.05



## 9. Distribution of Shareholding as on March 31, 2013

No. of Shares	No. of Shareholders	%	No. of Shares	%
1 - 500	526	63.76	171170	2.53
501 - 1000	207	25.09	200674	2.97
1001 - 5000	68	8.24	142805	2.12
5001 - 10000	6	0.73	51187	0.76
10001 and above	18	2.18	6184164	91.62
<b>Total</b>	<b>825</b>	<b>100.00</b>	<b>6750000</b>	<b>100.00</b>

Pursuant to clause 47 (c) of the listing Agreement with the stock exchanges, certificates, on half yearly basis have been issued by Company Secretary-in-Practice for due compliance of share transfer formalities by the Company.

A Company Secretary-in-Practice carried out are conciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/ paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

## Practicing Company Secretaries' Certificate on Corporate Governance

To  
The Members of  
**Trident Tools Ltd**

We have examined the compliance of the conditions of Corporate Governance by Trident Tools Limited ('the Company') for the year ended on March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For Shalaka Koparkar & Co.  
Practising Company Secretaries  
Shalaka Koparkar  
ACS: 25314 CP: 9881  
Mumbai, 04<sup>th</sup> September, 2013

## Secretarial Audit Report

To  
The Members of  
**Trident Tools Ltd**

We have examined the registers, records, books and papers of Trident Tools Ltd as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March 2013.

1. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers and agents, we report that the Company has complied with the provisions of the Act, the Rules made there under and the Memorandum and Articles of Association of the Company with regard to:
  - i. maintenance of various statutory registers and documents and making necessary entries therein;
  - ii. closure of Register of Members;
  - iii. forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities;
  - iv. service of documents by the Company on its Members, Auditors and the Registrar of Companies;
  - v. notice of Board and Committee meetings of Directors;
  - vi. meetings of Directors and Committees of Directors and passing of circular resolutions;
  - vii. notice and convening of Annual General Meeting held on 27<sup>th</sup> September, 2012;
  - viii. minutes of the proceedings of the Board Meetings, Committee Meetings and General Meetings;
  - ix. approvals of the Board of Directors, Committee of Directors, Members and government authorities, wherever required;
  - x. constitution of the Board of Directors, Committees of Directors;
  - xi. payment of remuneration to Directors, Managing Directors and Executive Directors;
  - xii. appointment and remuneration of Statutory Auditors
  - xiii. transfer and transmission of the Company's shares, issue and allotment of shares and issue and delivery of certificates of shares;
  - xiv. Declaration and payment of dividend.
  - xv. transfer of amounts as required under the Act to the Investor Education and Protection Fund NA;
  - xvi. borrowings and registration of charges;
  - xvii. report of the Board of Directors;
  - xviii. generally, all other applicable provisions of the Act and the Rules there under
2. We further report that:
  - i. the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other Companies and interest in other entities;
  - ii. the Directors have complied with the disclosure requirements in respect to their eligibility of appointment, their being independent, compliance with Insider Trading Code of Conduct and the Code of Conduct for Directors and Management Personnel;
  - iii. the Company has obtained all necessary approvals under various provisions of the Act;
  - iv. as per information provided to us there was no prosecution initiated against or show cause notice received by the Company during the year under review under the Companies Act, SEBI Act, Depositories Act, Listing Agreement and rules, regulations and guidelines under these Acts.
3. We further report that:
  - i. the Company has complied with the requirements under the Equity Listing Agreements entered into with the BSE Limited;
  - ii. the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers ) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the Regulations;

- iii. the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading )Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
- iv. the Company has complied with the provisions of the Securities and Exchange Board of India (Depositories and Participants Regulations, 1996 including submitting of Reconciliation of Share Capital Audit Reports;
- v. the issues during the year which required specific compliance of the provisions of the Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirements) Regulations, 2009 are fulfilled.
- vi. there were no issues during the year which required specific compliance of the provisions of the Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made under that Act.

For Shalaka Koparkar & Co.  
Practising Company Secretaries  
Shalaka Koparkar  
ACS: 25314 CP: 9881  
Mumbai, 04<sup>th</sup> September, 2013

## Independent Auditor's Opinion

To,  
The Members of  
Trident Tools Ltd

### Report on the Financial Statements

We have audited the accompanying financial statements of "M/s TRIDENT TOOLS LTD", which comprise the Balance Sheet as at 31<sup>st</sup> March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, including the accounts of erstwhile **M/s Quickcut Engineering Company Private Limited** for the year ended 31<sup>st</sup> March, 2013 consequent to its Amalgamation with the Company with effect from 1<sup>st</sup> April, 2012, annexed thereto.

### Management's Responsibility for the Financial Statements

The Company's 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.

### Auditors' 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 the 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 the 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 the 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the 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.

Further as explained in note 34 of the Financial Statements, the Honourable High Court of Judicature at Bombay vide its order dated 05<sup>th</sup> July, 2013 sanctioned a scheme of amalgamation and arrangement ("the scheme") between the Company and M/s Quickcut Engineering Company Private Limited. The Company has at the meeting of the board of directors dated 02<sup>nd</sup> September, 2013, pursuant to the approval of the scheme by the Honourable High Court revised the financial Statements approved at the meeting of the board of Director dated 13<sup>th</sup> May, 2013 to give effect to the scheme. **Accordingly, the Auditors' report dated 13<sup>th</sup> May, 2013 on the financial statement of the Company stands superseded.**

**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 31<sup>st</sup> March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company 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 purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **GIRISH PATEL & CO.**  
(CHARTERED ACCOUNTANTS)

Place: Mumbai.  
Date: **02/09/2013**

PROPRIETOR  
M.NO.16743



**ANNEXURE TO THE AUDITORS REPORT**

Statement referred to in paragraph 3 of our Report of even date on accounts of TRIDENT TOOLS LTD. for the year ended **31<sup>st</sup> March, 2013**

1. Fixed Assets
  - (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) The Company has a regular program of physical verification of its fixed Assets. In our opinion periodicity of physical verification is reasonable having regard to the size of the company and nature of Fixed Assets. No material discrepancies were noticed on such verifications
  - (c) The company has not disposed of substantial part of fixed assets during the year.
  
2. Inventories
  - (a) Inventories have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
  - (b) In our opinion, the procedures of the verification of inventories by the management are reasonable and adequate in relation to the size of the company and natures of its business.
  - (c) In our opinion, the company is maintaining proper records of the inventory .The discrepancies noticed on verification between the physical stocks and book records were not material.
  
3. The company has taken/given interest free loans repayable on demand from/to companies/firms covered in the register maintained under section 301 of the Companies Act, 1956. The details whereof is as under:
 

	LOANS TAKEN	LOANS GIVEN
No. of Parties	6	0
Maximum Amount	` 3,13,19,600	Rs. --
Year end Balance	` 2,94,94,600	Rs. --
  
4. 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 regards to purchase of goods and with regards to sale of goods. During the course of our audit we have not observed any continuing failure to correct major weakness in the internal controls procedure.
  
5. In our opinion and according to the information and explanation given to us the company has entered into transactions for purchase of goods, materials or services and sale of goods, materials or services aggregating to ` 500000/- or more from parties covered under section 301 of the companies Act, 1956. Prices paid for such goods are reasonable having regard to terms and conditions of purchases as compared with purchases for other parties.
  
5. In our opinion, and according to the information and explanations given to us, the company has generally complied with the provisions of section 58A of the Companies Act, 1956 and companies acceptance of deposits rules 1975.
  
6. In our opinion, the company has Internal Audit System during the year.
  
7. The Company has maintained the cost records as prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956, in respect of activities carried on by the company.

8. (a) The company has been regular in depositing undisputed statutory dues including provident Fund, Investor Education and protecting Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities in India.  
(b) At the end of the financial year there were no undisputed amounts payable in respect of Sale Tax, Central sales tax, Income tax and Custom duty at the year end for period of more than six months from the date they become payable.
9. The company has not incurred cash loss in the current year and there are no accumulated losses at the year end.
10. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to its bankers.
11. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. As the company is not a chit fund, nidhi mutual benefit fund or society the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
13. In our opinion and according to the information and explanations given to us, the company is not dealer or trader in securities.
14. According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from bank or financial institutions, the terms and conditions where of, in our opinion, are not prima-facie prejudicial to the interest of the Company.
15. The company has taken term loan during the year. The loan taken is used for the purpose for which it was taken,
16. 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.
17. The company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act. ...
18. The company has not raised any funds by way of debenture during the year.
19. The company has not raised any money by way of public issue during the year.
20. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of fraud on or by the company nor we have been informed by the management of any such instance being noticed or reported during the year.

For **GIRISH PATEL & CO.**  
(CHARTERED ACCOUNTANTS)

Place: Mumbai.  
Date: 02/09/2013

PROPRIETOR.  
M.NO.16743

Balance Sheet As At 31<sup>st</sup> March 2013

		(in Rupees)		
	Note No.	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012	
<b>I. EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
i.	Share capital	1	11,70,00,000	6,75,00,000
ii.	Reserves and surplus	2	58,21,924	3,84,19,205
iii.	Money received against share warrants	3	2,95,07,400	80,87,000
<b>2 Non-current liabilities</b>				
i.	Long-term borrowings	4	31,50,95,631	12,89,98,705
ii.	Deferred tax liabilities (Net)	5	1,75,35,630	1,01,55,677
iii.	Long-term provisions	6	11,44,200	7,15,000
<b>3 Current liabilities</b>				
i.	Short-term borrowings	7	10,83,81,505	11,07,16,269
ii.	Trade payables	8	4,89,62,732	4,62,31,383
iii.	Other current liabilities	9	99,62,002	86,86,053
iv.	Short-term provisions	10	1,74,39,574	1,21,16,724
<b>TOTAL</b>			<b>67,08,50,597</b>	<b>43,16,26,016</b>
<b>II. ASSETS</b>				
<b>1 Non-current assets</b>				
I. Fixed assets				
i.	Tangible assets	11	35,81,53,260	9,76,75,328
ii.	Intangible assets	11	45,00,000	52,50,000
iii.	Capital work-in-progress	11	-	8,84,23,402
II.	Non-current investments	12	58,741	58,741
III.	Long-term loans and advances	13	24,36,430	23,52,715
<b>2 Current assets</b>				
i.	Current investments			
ii.	Inventories	14	18,19,46,659	15,81,98,921
iii.	Trade receivables	15	5,46,89,282	5,64,56,107
iv.	Cash and cash equivalents	16	4,63,74,907	60,03,854
v.	Short-term loans and advances	17	2,17,03,857	1,69,88,051
vi.	Other current assets	18	9,87,462	2,18,896
<b>TOTAL</b>			<b>67,08,50,597</b>	<b>43,16,26,016</b>

Significant accounting policies and notes to accounts

1 - 36

As per our Report of even date

For GIRISH PATEL &amp; CO.

Chartered Accountants

**Girish Patel**

Proprietor

**Mumbai****September 02, 2013**

For and on behalf of Board

**Narendra R. Gupta**

Chairman

**Ravi N Gupta**

Director

**Snehal M. Raikar**

Company Secretary

Profit & Loss Account for the Year Ended 31<sup>st</sup> March 2013

Particulars	Note No.	( in Rupees)	
		31 March 2013	31 March 2012
I. Revenue from operations	19	49,31,08,286	36,77,57,981
II. Other income	20	24,26,562	2,39,684
<b>III. Total Revenue (I + II)</b>		<b>49,55,34,848</b>	<b>36,79,97,665</b>
IV. Expenses:			
Cost of materials consumed	21	33,72,63,128	26,70,82,368
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	(1,57,54,358)	(2,88,49,645)
Employee benefits expense	23	2,93,14,743	2,46,11,976
Finance costs	24	3,78,85,399	2,13,87,027
Depreciation and amortization expense	11	1,65,13,127	60,42,234
Other expenses	25	6,52,14,014	5,90,57,394
<b>Total expenses</b>		<b>47,04,36,051</b>	<b>34,93,31,355</b>
<b>V. Profit before tax (III- IV)</b>		<b>2,50,98,797</b>	<b>1,86,66,310</b>
VI. Tax expense:			
(1) Current tax		50,76,963	38,08,292
(2) Deferred tax		73,66,619	71,30,616
<b>VII. Profit (Loss) for the period (V - VI)</b>		<b>1,26,55,215</b>	<b>77,27,402</b>
<b>VIII Earnings per equity share:</b>			
(1) Basic		<b>1.87</b>	<b>1.14</b>
(2) Diluted		<b>1.87</b>	<b>1.14</b>
Significant accounting policies and notes to accounts	1 - 36		

As per our Report of even date

For **GIRISH PATEL & CO.**  
Chartered Accountants**Girish Patel**  
Proprietor**Mumbai**  
**September 02, 2013**

For and on behalf of Board

**Narendra R. Gupta**      **Ravi N Gupta**  
Chairman                      Director**Snehal M. Raikar**  
Company Secretary

Cash Flow Statement for the Year Ended 31<sup>st</sup> March 2013

		( in Rupees)	
		2011 - 2012	2011 - 2012
<b>A. Cash Flow from Operating Activities</b>			
<b>Profit Before Tax and Extraordinary items</b>		<b>2,50,98,797</b>	<b>1,86,66,310</b>
(as per Profit and Loss Account)			
Adjustment for:			
Depreciation & Amortization		1,65,13,127	60,42,234
Profit on sale of Fixed Assets		-	(9,456)
Investment Written off		-	1,250
Provision for Gratuity		2,88,000	2,90,000
Provision for Leave Encashment		1,45,000	4,52,000
Interest & Finance Charges		3,78,85,399	2,13,87,027
Dividend Income		(700)	(700)
<b>Operating Profit before Working Capital Changes</b>		<b>7,99,29,622</b>	<b>4,68,28,666</b>
Adjustment for:			
(Increase)/Decrease in Inventories		(2,37,47,738)	(3,04,02,520)
(Increase)/Decrease in Sundry Debtors		17,66,825	(1,67,88,174)
(Increase)/Decrease in Other Receivable		2,11,609	1,40,47,293
Increase/(Decrease) in Trade and Others Payables		42,62,735	36,03,984
<b>Cash Generated From Operations</b>		<b>6,24,23,054</b>	<b>1,72,89,249</b>
Income Tax Paid		-	2,682,258
Cash Inflow Before Prior Period Adjustments		<b>6,24,23,054</b>	<b>1,46,06,991</b>
Less : Prior Period Adjustment		-	-
<b>Net Cash from Operating Activities</b>	<b>A</b>	<b>6,24,23,054</b>	<b>1,46,06,991</b>
<b>B. Cash Flow from Investing Activities</b>			
Acquisition of Fixed Assets		(18,78,17,657)	(10,99,53,341)
Sale of Fixed Assets		-	17,510
Dividend Income		700	700
<b>Net Cash from Investing Activities</b>	<b>B</b>	<b>(18,78,16,957)</b>	<b>(10,99,35,131)</b>

**Cash Flow Statement for the Year 2012-13 (Contd.)****C. Cash Flow from Financing Activities**

Proceeds from issue of Equity Shares	8,21,314	84,92,000
Proceeds from premium on issue of Equity shares	-	22,16,412
Proceeds from share warrants	2,14,20,400	80,87,000
Increase/(Decrease) in Secured Loan	18,37,62,162	10,19,03,945
Interest & Finance Charges	(3,78,85,399)	(2,13,87,027)
Payment of Dividend & Taxes	(23,53,522)	(6,20,997)
Interest Expenditure	-	-
<b>Net Cash from Financial Activities</b>	<b>16,57,64,955</b>	<b>9,86,91,332</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>4,03,71,052</b>	<b>33,63,192</b>
<b>Cash and Cash Equivalents - Opening Balance</b>	<b>60,03,855</b>	<b>26,40,663</b>
<b>Cash and Cash Equivalents - Closing Balance</b>	<b>4,63,74,907</b>	<b>60,03,855</b>

As per our Report of even date

For GIRISH PATEL & CO.  
Chartered Accountants

**Girish Patel**  
Proprietor

**Mumbai**  
**September 02, 2013**

For and on behalf of Board

**Narendra R. Gupta**      **Ravi N Gupta**  
Chairman                      Director

**Snehal M. Raikar**  
Company Secretary

## Significant Accounting Policies

### A. Basis of Preparation

These financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting, unless otherwise stated and comply with generally accepted accounting principles, statutory requirements, the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable and current practice prevailing.

### B. Use of Estimates

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of Assets and Liabilities, revenues and expenses and disclosure of Contingent Liabilities at the date of the financial statements. Actual results could differ from those estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revision to the accounting estimates is recognized prospectively in the current and future period.

### C. Fixed Assets/ Capital Work-in-Progress/ Intangible Assets

Fixed assets are stated at actual cost, which comprises of purchase consideration and other directly attributable costs for bringing the assets to its working condition for the intended use. Direct Costs are Capitalized until fixed assets are ready for use. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

### D. Depreciation and Amortization

As informed to us by the management of the company the manufacturing unit at Palghar had remained closed up to 31st May' 2011 and hence it has not charged any depreciation on the fixed assets pertaining to the said manufacturing activity for that period. However depreciation has been provided on written down value as per rates of depreciation prescribed as per schedule XIV of the Company Act, 1956 except plant & machinery and electrical installation which is provided on straight line method.

### E. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual basis. Long term investments are carried at cost. However provision for diminution in the value is made to recognize a decline other than temporary in the value of investments.

### F. Revenue Recognition

- i. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- ii. Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.
- iii. The Company follows the Accrual System of accounting and recognizes income and expenditure on accrual basis.

### G. Inventory

Inventories are valued at cost or net realisable value whichever is lower. Cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

**H. Taxation**

- i. Current Income tax on income for the current period is determined on the basis of taxable income and tax credit computed in accordance with the provisions of the Income Tax Act 1961, and based on expected outcome of assessment /appeals.
- ii. Deferred Tax is recognized subject to the consideration of prudence on the timing difference; being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal of one or more subsequent periods.

**I. Employee Benefits****a. Short Term Employees Benefits**

Short Term Employees Benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Account of the period in which the related services are rendered.

**b. Post-Employment Benefits**

- i. **Provident Fund - Defined Contribution Plan**  
The Company contributes monthly at a determined rate. These contributions are remitted to the Employees' Provident Fund Organisation, India for this purpose and are charged to Profit and Loss Account on accrual basis.
- ii. **Gratuity - Defined Benefit Plan**  
The Company provides for gratuity to all the eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or termination of employment for an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs on the completion of five years of service. Liability in respect of gratuity is determined using the projected unit credit method with actuarial valuations as on the Balance Sheet date and gains/losses are recognised immediately in the Profit and Loss Account.
- iii. **Leave Encashment**  
Liability in respect of leave encashment is determined using the projected unit credit method with actuarial valuations as on the Balance Sheet date and gains/losses are recognised immediately in the Profit and Loss Account.

**J. Foreign Currency Transaction**

- i. Transaction denominated in foreign currency if any, are recorded at the exchange rate prevailing on the date of transactions. Exchange difference arising on foreign exchange transactions settled during the year, if any, are recognized in the Profit and Loss account of the year except that exchange difference related to acquisition of fixed assets from a country outside India are adjusted in the carrying amount of the related Fixed Assets.
- ii. Monetary assets and liabilities in foreign currency, if any, are translated at the year end at the closing exchange rate and the resultant exchange differences are recognized in the Profit and Loss Account. Non-monetary foreign currency items are carried at cost.
- iii. The premium or discount on forward exchange contracts, if any, is amortized as expenses or income over the life of the contract



**K. Impairment of Assets**

- i. The Carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized where the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing value in use the estimated future cash flows are discounted to their present value at the weighted average cost of capital
- ii. After impairment, depreciation/deletion is provided in subsequent period on the revised carrying amount of the asset over its remaining useful life.
- iii. Impairment loss recognized in an earlier period will be reversed in a later period depending on changes in circumstances to the extent that the discounted future net cash flows are higher than net book value at the time. In reversing impairment losses, the carrying amount of the asset will be increased to lower of its original carrying value or the carrying value that would have been determined (net of depletion) had no impairment loss been recognized in prior periods.

**L. Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of those assets. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**M. Excise and Customs Duty**

Excise Duty in respect of finished goods lying in the factory premises and Customs duty on goods lying in customs bonded warehouse are provided for and included in the valuation of Inventory.

**N. Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding the period. The weighted number of equity shares outstanding during the period is adjusted for events of bonus issue.

## Notes Forming Parts of Accounts

### Note 1

Disclosure pursuant to Note no. 6(A)(a,b & c) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31-Mar-13		31-Mar-12	
		Amount		Amount
<b>Share Capital</b>				
<b>Authorised</b>				
70,00,000 Equity Shares of ₹ 10 each		7,05,00,000		7,00,00,000
<b>Issued Subscribed &amp; Paid up</b>				
67,50,000 (P.Y. 50,00,000) Equity Shares of ₹ 10 each	6,75,00,000		6,75,00,000	
Less:- Calls in arrears- by others	-	6,75,00,000	-	6,75,00,000
<b>Share Capital Suspense Account</b>				
49, 50,000 Equity shares of ₹ 10/- each allotment to be made pursuant to the scheme of amalgamation, completion formalities.		4,95,00,000		-
<b>Total</b>		11,70,00,000		6,75,00,000

### Note 1 A

Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Equity Shares	
	Number	Amount
Shares outstanding at the beginning of the year	67,50,000	6,75,00,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	67,50,000	6,75,00,000

### Note 1 B

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956 (if more than 5%)

Sr No	Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	SITA NARENDRA GUPTA	562400	8.33%	562400	8.33%
2	SHEETAL RAVI GUPTA	467660	6.93%	467660	6.93%
3	RAVI NARENDRA GUPTA	1108100	16.42%	1108100	16.42%
4	GREESHA RAVI GUPTA	475000	7.04%	475000	7.04%
5	HARSHWARDHAN RAVI GUPTA	476050	7.05%	476050	7.05%
6	NARENDRA RAMESHCHANDRA GUPTA (HUF)	309200	4.58%	560700	8.31%
7	RAVI N GUPTA (HUF)	421170	6.24%	421170	6.24%
8	VULCAN TOOLS PRIVATE LIMITED	824124	12.21%	540650	8.01%
9	ULTRACUT TOOLS PVT LTD	562639	8.34%	455900	6.75%
8	AXIS TOOLS & ENGG CO. PVT. LTD	777037	11.51%	730000	10.81%

As per records of the Company, including its registers of Shareholders/Members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**Note 2**

Disclosure pursuant to Note no. 6(B) of Part I of Schedule VI to the Companies Act, 1956

Reserves & Surplus	As at 31 March 2013	As at 31 March 2012
	Amount	Amount
<b>a. Capital Reserves</b>		
Opening Balance	1,19,26,775	92,50,000
(+) Current Year Transfer	-	26,76,775
(-) Adjusted on account of Merger with Quickcut Engineering Co. Pvt Ltd	1,19,26,775	-
Closing Balance	-	1,19,26,775
<b>b. Securities Premium Account</b>		
Opening Balance	1,71,42,762	1,49,26,350
Add : Premium on reissue of Forfeited shares	-	22,16,412
(-) Adjusted on account of Merger with Quickcut Engineering Co. Pvt Ltd	1,71,42,762	-
Closing Balance	-	1,71,42,762
<b>c. Revaluation Reserve</b>		
Opening Balance (As per Last Year)	32,81,781	32,81,781
Closing Balance	<b>32,81,781</b>	<b>32,81,781</b>
<b>d. Surplus</b>		
Opening balance	60,67,887	18,19,271
(+) Net Profit/(Net Loss) For the current year	1,26,55,215	77,27,402
(+) Mat Credit available	57,79,696	6,77,975
(+)Reserves transferred from Transferor Co. on account of Merger	3,21,314	-
(-) Short provision of Dividend & Taxes for the year 2010-11	-	6,20,997
(-) Short Provision of Income Tax for earlier years	-	11,82,258
(-) Proposed Dividends	2,025,000	20,25,000
(-) Tax on Dividend	328,506	3,28,506
(-) Adjusted on account of Merger with Quickcut Engineering Co. Pvt Ltd	1,99,30,463	-
Closing Balance	<b>25,40,143</b>	<b>60,67,887</b>
<b>Total</b>	<b>58,21,924</b>	<b>3,84,19,205</b>

**Note 3**

Share Warrants	As at 31 March 2013	As at 31 March 2012
	<b>Money received against share warrants</b> (23,40,000 warrants of `10/- each shall be convertible into 23,40,000 Equity shares of `10/- each fully paid up, at a price of `12.61/- including premium of `2.61/-, allotment to be made pursuant to the scheme of amalgamation, completion formalities.)	2,95,07,400
	2,95,07,400	80,87,000

**Note 4**

Disclosure pursuant to Note no. 6(C) of Part I of Schedule VI to the Companies Act, 1956

Long Term Borrowings	As at 31 March 2013	As at 31 March 2012
	Secured	Secured
<b>Secured</b>		
<b>(a) Term loans</b>		
From banks		
P.N.B.TERM LOAN A/C NO.175600IB20032773	14,71,988	23,51,001
P.N.B.TERM LOAN A/C NO.175600IB20032834	2,50,43,078	3,04,94,535
P.N.B.TERM LOAN A/C NO.175600IB20032904	8,39,26,505	5,99,57,693
P.N.B.TERM LOAN A/C NO.175600IB20032904 (Buyer's credit)	3,89,65,805	-
P.N.B.TERM LOAN A/C NO.175600IC00000146	20,89,515	30,42,316
P.N.B.TERM LOAN A/C NO.175600IB20032995	1,27,20,562	-
P.N.B.TERM LOAN A/C NO.175600IB20032995 (Buyer's credit)	7,84,34,600	-
<b>(b) Motor Car Loan</b>		
From banks		
P.N.B.MOTOR CAR A/C NO.175600IB20332922 (Tata LPT)	5,82,519	7,01,123
P.N.B.MOTOR CAR LOAN A/C NO.175600NG00002969 (Swift)	1,35,383	2,12,037
P.N.B.MOTOR CAR LOAN A/C NO.175600NG00003126 (Innova)	8,19,844	9,63,673
P.N.B.MOTOR CAR LOAN A/C NO.175600NG00003311 (Vento)	7,54,006	8,78,827
<b>Unsecured</b>		
From others	7,00,96,826	3,03,97,500
<b>Deposits</b>		
From others	55,000	-
<b>Total</b>	<b>31,50,95,631</b>	<b>12,89,98,705</b>

Note :- Instalment falling due in next 12 months for Term Loan ` 267 lacs &amp; for Motor Car ` 5.15 Lacs

**(a) Term loans:****P.N.B.TERM LOAN A/C NO.175600IB20032773 - ( ` 50 Lacs)**

- **Security:** Various machineries to be purchased out of the term loan
- **Rate of Interest:** 14.50%
- **Margin:**25%
- **Terms of Repayment:** 78 equal monthly instalment starting from 26/04/2008 and last instalment is due on 26/09/2014

**P.N.B.TERM LOAN A/C NO.175600IB20032834 - ( ` 350 lacs)**

- **Security:** Various machineries to be purchased out of the term loan, as per the Quotation approved by SSIO.
- **Rate of Interest:** BPLR + TP + 1% i.e. 11 + 0.50 + 1 = 12.50% p.a.
- **Margin:**25%
- **Terms of Repayment:** Moratorium - 6 months from the date of first release and thereafter 84 equal monthly instalments starting from 01.10.2010 and last instalment is due on 30.09.2017, total door to door tenor of 90 months.

**P.N.B. TERM LOAN A/C NO.175600IB20032904 - ( ₹ 1150 lacs)**

- **Security:** Various machineries to be purchased out of the term loan.
- **Rate of Interest:** BR + TP 0.50 + 4.50% = 15.75% p.a.
- **Margin:** 25%
- **Terms of Repayment:** Moratorium - 12 months from the date of first release and thereafter 72 monthly instalment\*\*\* starting from October 2012 and last instalment is due on 30.09.2018, total door to door tenor of 84 months

\*\*\*Instalment will be according to the following schedule. ( ₹ in Lacs)

% of Term loan	Principle Repayment	Monthly Instalments	Total Repayments	No of Instalments (Monthly)	Period
14%	161	13.42	402.50	30.00	From Oct 2012 to Mar 2015
16%	184	15.33	184.00	12.00	From Apr 2015 to Mar 2016
18%	207	17.25	207.00	12.00	From Apr 2016 to Mar 2017
20%	230	19.17	230.00	12.00	From Apr 2017 to Mar 2018
22%	253	21.08	126.50	6.00	From Apr 2018 to Sept 2018
			<b>1,150.00</b>	<b>72.00</b>	

**P.N.B. TERM LOAN A/C NO.175600IC00000146 - ( ₹ 50 Lacs)**

- **Security:** Various machineries to be purchased out of the term loan.
- **Rate of Interest:** 14.00% p.a.
- **Margin:** 26.83%
- **Terms of Repayment:** 72 monthly instalment starting 31/10/2009 and last instalment is due on 31/10/2015

**P.N.B. TERM LOAN A/C NO.175600IC00000146 - ( ₹ 650 Lacs)**

- **Security:** Various machineries to be purchased out of the term loan.
- **Rate of Interest:** BR + TP 0.50 + 4.50% = 14.25% p.a.
- **Margin:** 32.64%
- **Terms of Repayment:** Moratorium - 12 months from the date of first release and thereafter 72 monthly instalment\*\*\*\* starting from October 2013 and last instalment is due on 30.09.2019, total door to door tenor of 84 months.

\*\*\*\*Instalment will be according to the following schedule. ( ₹ in Lacs)

FY Ended on 31st March	Repayment Amount	Repayment Months	Principal Instalment per month
2013	0.00	0	0.00
2014	80.04	12	6.67
2015	90.00	12	7.50
2016	102.00	12	8.50
2017	114.00	12	9.50
2018	126.00	12	10.50
2019	138.00	12	11.50
Total Repayment	650.00	72	

**Note 4 (a)**

\*\*Personal / Corporate Guarantee :- ( ₹ In Lacs)

Name of Guarantor Mr/ Mrs	Relationship with borrower	Net Worth	Immovable Property
Ravi N Gupta	Director	126.47	Nil
Narendra R Gupta	Director	27.18	Nil
M/s Vimal Textiles	Owner of the Collateral security	104.56	98.88

**(b) Motor Car loan taken from PNB against hypothecation of Motor Car:****P.N.B.MOTOR CAR A/C NO.175600IB20332922 (Tata LPT) - ( ₹ 7 Lacs)**

- **Security:** Hypothecation of Motor Car ( TATA LPT)
- **Rate of Interest:** 15.25% p.a.
- **Margin:** 25%
- **Terms of Repayment:** 84 equal monthly instalment of ₹ 8330/- starting from 23/12/2011 and last instalment is due on 23/12/2018

**P.N.B.MOTOR CAR LOAN A/C NO.175600NG00002969 (Swift) - ( ₹ 4.64 Lacs)**

- **Security:** Hypothecation of Motor Car ( SWIFT)
- **Rate of Interest:** 12% p.a.
- **Margin:** 25%
- **Terms of Repayment:** 84 equal monthly instalment of ₹ 8000/- starting from 31/08/2007 and last instalment is due on 31/08/2014

**P.N.B.MOTOR CAR LOAN A/C NO.175600NG00003126 (Innova) - ( ₹ 10.36 Lacs)**

- **Security:** Hypothecation of Motor Car ( INNOVA)
- **Rate of Interest:** 12% p.a.
- **Margin:** 25%
- **Terms of Repayment:** 84 equal monthly instalment of ₹ 18567/- starting from 25/07/2011 and last instalment is due on 25/07/2018

**P.N.B.MOTOR CAR LOAN A/C NO.175600NG00003311 (Vento)**

- **Security:** Hypothecation of Motor Car ( VENTO)
- **Rate of Interest:** 12% p.a.
- **Margin:** 25%
- **Terms of Repayment:** 84 equal monthly instalment of ₹ 19500/- starting from 25/04/2012 and last instalment is due on 25/04/2019

**Notes 5****Deferred Tax**

Particulars	Amount (In ₹)	Timing Difference	Effect on Taxation	Type	Originating / Reversal
1. WDV					
As per Companies Act	35,57,33,378				
As per Income Tax Act	29,85,50,765	5,71,82,613	Less	Liability	Originating
2. Disallowed U/S 40A(7)					
As per Companies Act	2,88,000				
As per Income Tax Act	-	2,88,000	More	Assets	Originating
3. Disallowed U/S 43 B					
As per Companies Act	1,45,000				
As per Income Tax Act	-	1,45,000	More	Assets	Originating
Total (Liability)		5,71,82,613			
Total Assets		4,33,000			
Total Timing Difference		5,67,49,613			
Tax on Timing Difference @ 30.90%		1,75,35,630			
Less: Deferred Tax Liabilities up to Previous Year		1,01,69,011			
Provision for Deferred Tax Asset/Liability		<b>73,66,619</b>			

**Note 6**

Disclosure pursuant to Note no. 6(E) of Part I of Schedule VI to the Companies Act, 1956

Long Term Provisions	As at 31 March 2013	As at 31 March 2012
	Amount	Amount
<b>(a) Provision for employee benefits</b>		
Gratuity (unfunded)	5,78,000	2,90,000
Leave Encashment (unfunded)	5,66,200	4,25,000
<b>Total</b>	<b>11,44,200</b>	<b>7,15,000</b>

**Note 7**

Disclosure pursuant to Note no. 6(F) of Part I of Schedule VI to the Companies Act, 1956

Short Term Borrowings	As at 31 March 2013	As at 31 March 2012
	Secured	Secured
<b>Secured</b>		
<b>(a) Working Capital Loan</b>		
<b>From banks</b>		
P.N.B.C/C A/c.No.1756008700000594	9,39,52,386	9,14,52,662
<b>(b) Packing Credit</b>		
<b>From banks</b>		
P.N.B.175600UE00000236 (PCFC)	2,19,399	-
P.N.B.175600UD00000060 (PC)	58,36,165	-
P.N.B.175600UD00000079 (PC)	83,73,555	-
P.N.B.175600UE00000157 (PCFC)	-	49,37,500
P.N.B.175600UE00000166 (PCFC)	-	51,64,105
P.N.B.175600UE00000175 (PCFC)	-	45,39,192
P.N.B.175600UE00000184 (PCFC)	-	46,22,810
<b>Total</b>	<b>10,83,81,505</b>	<b>11,07,16,269</b>

**(a) Working Capital Loan - CC (H)**

- **Security:** Hypothecation of entire stock of raw materials, stock in progress and finished goods, consumable stores spare & packing material etc., and Book debts arising out of genuine sale transaction.
- **Rate of Interest:** BR + 3.75% presently 14.00% P.A.
- **Margin:** 25%
- **Ceiling on Limits:** Total outstanding under CC (H) + PC + FOBP/FOUBP should not exceed ` 1150 lacs.

**(b) Packing Credit :**

- **Security:** First charge on entire current assets, present & future, including entire stocks, book debts, loans & advance etc. DP, however, to be allowed against stocks only as per CC (H) facility
- **Amount Limit:** Up to ` 550 lacs (sub limit to CC (H) ` 1150 lacs Limit)
- **Margin:** 25% for packing credit
- **Terms of Repayment:** Each packing credit shall be adjusted by the borrower within the specified period (maximum 180 days) duly assessed on the basis of the total operating cycle from procurement of raw material to actual shipment of finished goods of validity period of Export order/LC, whichever is earlier

**\*\*Personal Guarantee:** Refer Note 4(a)

**Note 8**

Trade Payables	As at 31 March 2013	As at 31 March 2012
	Amount	Amount
(a) Trade Payables	4,89,62,732	4,62,31,383
<b>Total</b>	<b>4,89,62,732</b>	<b>4,62,31,383</b>

**Note 9**

Disclosure pursuant to Note no. 6(G) of Part I of Schedule VI to the Companies Act, 1956

Other Current Liabilities *	As at 31 March 2013	As at 31 March 2012
	Amount	Amount
(a) Others Payables		
i) Advance from customer	10,56,688	29,26,285
ii) Statutory dues	80,71,107	57,59,768
iii) Other Expenses	8,34,207	-
<b>Total</b>	<b>99,62,002</b>	<b>86,86,053</b>

**Note 10**

Disclosure pursuant to Note no. 6(H) of Part I of Schedule VI to the Companies Act, 1956

Short Term Provisions	As at 31 March 2013	As at 31 March 2012
	Amount	Amount
<b>(a) Provision for Taxes</b>	1,32,04,873	79,96,368
<b>(b) Proposed dividend</b>	20,25,000	20,25,000
<b>(c) Tax on dividend</b>	3,28,506	3,28,506
<b>(d) Provision for Employee benefits</b>		
Salary & Reimbursements	17,03,254	15,97,697
Contribution to PF	1,21,960	1,17,593
Contribution to ESIC	6,856	6,860
Contribution to PT	18,235	17,700
Leave Encashment (Unfunded)	30,800	27,000
<b>Total</b>	<b>1,74,39,574</b>	<b>1,21,16,724</b>



**Note 11**

Disclosure pursuant to Note no.6 I (i), (ii), (iii); Note no.6 J (i),(ii); Note no. J and Note no. L of Part I of Schedule VI to the Companies Act, 1956

Description	Gross Block			Depreciation Block			Net Block	
	As at	Additions	Deductions	As at	For the	Adjustments	As at	As at
	1.4.12	31.03.13	1.04.12	Year	31.03.13	31.03.13	31.03.13	31.03.12
<b>A</b>								
<b>Tangible Assets</b>								
Leasehold Land	559952	279930	0	621882	0	0	0	6689951
Building	10148783	41247197	0	51392680	2887273	3846198	0	7256510
Plant & Machinery	89980484	225119648	0	31610031	15753349	9991076	0	74225134
Furniture & Fixtures	1087717	364810	0	1451527	419041	121524	0	668376
Motor Cars	5536874	0	0	5536874	2046339	903570	0	3490035
Office Equipments	773412	51143	0	824555	658326	18568	0	114756
Factory Equipments	248298	39114	0	287412	70518	23386	0	177350
Laboratory Equipments	2691147	0	0	2531147	1814582	113384	0	816355
Electrical Installation	5726281	7781681	0	13507912	2174149	453599	0	3552131
Air condition	396109	27375	0	424484	158423	34168	0	237356
Computer	1151483	330210	0	1481699	653317	251284	0	496171
<b>Total (A)</b>	<b>12,43,15,646</b>	<b>27,62,41,059</b>	<b>-</b>	<b>40,05,56,704</b>	<b>2,66,40,318</b>	<b>1,57,63,127</b>	<b>-</b>	<b>35,81,53,260</b>
Previous year	7,40,62,346	3,02,70,810	17,510	12,43,15,647	2,13,57,540	3,192,234	9,456	9,76,75,329
<b>B</b>								
<b>Intangible Assets</b>								
Goodwill	7500000	0	0	7500000	2250000	750000	0	4500000
<b>Total (B)</b>	<b>75,00,000</b>	<b>-</b>	<b>-</b>	<b>75,00,000</b>	<b>22,50,000</b>	<b>7,50,000</b>	<b>-</b>	<b>45,00,000</b>
<b>Total (A+B)</b>	<b>13,18,15,646</b>	<b>27,62,41,059</b>	<b>-</b>	<b>40,80,56,704</b>	<b>2,88,90,318</b>	<b>1,65,13,127</b>	<b>-</b>	<b>36,26,53,260</b>
<b>C</b>								
<b>Capital Work In Progress</b>								
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86423402</b>

S.1 Capital work-in-progress under development includes :-

(i) Rs. 11,17,40,400/- for account of Bimetal project development venture.

**Note 12**

Disclosure pursuant to Note no. 6(K) of Part I of Schedule VI to the Companies Act, 1956

Non - Current Investment	As at 31 March 2013	As at 31 March 2012
	Amount	Amount
<b>Other Investments (at cost)</b>		
<b>(a) Investment in Equity Shares - Quoted, Fully paid up</b>		
i) 1000 (P.Y. 1000) Equity shares of BANK OF BARODA LIMITED, of ₹ 10 each. (Market Value ₹ 677.80/share as on 28.3.2013)	54,241	54,241
ii) 100 (P.Y. 100) Equity shares of BANK OF INDIA LIMITED, of ₹ 10 each. (Market Value ₹ 302.50/share as on 28.3.2013)	4,500	4,500
<b>Total</b>	<b>58,741</b>	<b>58,741</b>

**Note 13**

Disclosure pursuant to Note no. L (i), (ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956

Long Term Loans and Advances	As at 31 March 2013	As at 31 March 2012
	Amount	Amount
<b>Unsecured, considered good</b>		
<b>a. Security Deposits</b>	24,36,430	23,52,715
<b>Total</b>	<b>24,36,430</b>	<b>23,52,715</b>

**Note 14**

Disclosure pursuant to Note no. O (i), (ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956

Inventories	As at 31 March 2013	As at 31 March 2012
	Amount	Amount
<b>Valued at lower of cost or Net realisable value</b>		
a. Raw Materials and components	5,17,11,401	4,60,18,213
b. Work-in-progress	8,16,49,527	6,85,86,201
c. Finished goods	4,33,95,444	4,07,04,412
d. Stores and spares	51,90,287	28,90,095
<b>Grand Total</b>	<b>18,19,46,659</b>	<b>15,81,98,921</b>

**Note 15**

Disclosure pursuant to Note no. P (i), (ii), (iii) and (iv) of Part I of Schedule VI to the Companies Act, 1956

Trade Receivables	As at 31 March 2013	As at 31 March 2012
	Amount	Amount
<b>Unsecured, considered good</b>		
Due for more than 6 month	43,64,014	2,28,81,423
Others	5,03,25,268	3,35,74,684
<b>Total</b>	<b>5,46,89,282</b>	<b>5,64,56,107</b>

**Note 16**

Disclosure pursuant to Note no.Q (i), (ii), (iii), (iv) and (v) of Part I of Schedule VI to the Companies Act, 1956

Cash and cash equivalents	As at 31 March 2013	As at 31 March 2012
	Amount	Amount
a. Balances with banks	2,99,890	13,89,067
b. Fixed deposits with bank*	4,59,23,778	32,53,090
c. Cash on hand	1,51,239	13,61,697
<b>Total</b>	<b>4,63,74,907</b>	<b>60,03,854</b>

\*Fixed deposits ( Against Margin Money for LC/BC) with bank include Accrued interest of ` 2223778/- (P.Y. ` 253090/-)

**Note 17**

Disclosure pursuant to Note no. R (i), (ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956

Short-term loans and advances	As at 31 March 2013	As at 31 March 2012
	Amount	Amount
<b><u>Unsecured, considered good</u></b>		
a. Advance recoverable in cash or in kind or for value to be received considered good	56,40,846	41,60,601
b. Balance with Customs, central Excise, Mvat & Income Tax Authorities	1,60,63,011	1,28,27,450
<b>Total</b>	<b>2,17,03,857</b>	<b>1,69,88,051</b>

**Note 18**

As per Point No. 6S of General Instructions for Preparation of Balance Sheet

Other current assets (specify nature)	As at 31 March 2013	As at 31 March 2012
	Amount	Amount
a. Prepaid Expenses	9,87,462	2,18,896
<b>Total</b>	<b>9,87,462</b>	<b>2,18,896</b>

**Note 19**

Disclosure pursuant to Note no. 2 of Part II of Schedule VI to the Companies Act, 1956

Revenue From Operations	As at 31 March 2013	As at 31 March 2012
	Amount	Amount
Sale of products	52,00,15,388	39,46,85,584
Sale of services	24,58,178	98,973
Other operating revenues	62,80,407	67,87,544
	<b>52,87,53,973</b>	<b>40,15,72,101</b>
Less: Excise duty/ Service tax	3,56,45,686	3,38,14,120
<b>Total</b>	<b>49,31,08,286</b>	<b>36,77,57,981</b>

**Note 20**

Disclosure pursuant to Note no. 4 of Part II of Schedule VI to the Companies Act, 1956

Other Income	As at 31 March 2013	As at 31 March 2012
	Amount	Amount
Interest Income (in case of a company other than a finance company)	24,00,362	2,28,088
i) FDR WITH P.N.B	23,96,296	
ii) Interest On S.B. A/c	4,066	
Dividend Income	700	700
Profit on sale of Assets	-	9,456
Miscellaneous Income	25,500	1,440
<b>Total</b>	<b>24,26,562</b>	<b>2,39,684</b>

**Note 21**

Cost of Raw Material consumed	As at 31 March 2013	As at 31 March 2012
	Amount	Amount
Inventory at the beginning of the year	4,60,18,213	4,41,87,004
Add : Purchases	34,29,56,316	15,99,69,429
Less: Inventory at the end of the year	5,17,11,401	4,60,18,213
<b>Total</b>	<b>33,72,63,128</b>	<b>26,71,46,412</b>

**Note 22**

Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	As at 31 March 2013	As at 31 March 2012
	Amount	Amount
<b><u>Inventories at the end of the year</u></b>		
a. Finished Goods	4,33,95,444	4,07,04,412
b. Work -in- progress	8,16,49,527	6,85,86,201
	<b>12,50,44,971</b>	<b>8,04,40,968</b>
<b><u>Inventory at the beginning of the year</u></b>		
a. Finished Goods	4,07,04,412	3,05,97,217
b. Work -in- progress	6,85,86,201	4,98,43,751
	<b>10,92,90,613</b>	<b>8,04,40,968</b>
<b>Total</b>	<b>(1,57,54,358)</b>	<b>(2,88,49,645)</b>

**Note 23**

Disclosure pursuant to Note no. 5(i)(a) of Part II of Schedule VI to the Companies Act, 1956

Employee Benefits Expense	As at 31 March 2013	As at 31 March 2012
	Amount	Amount
(a) Salaries, Bonus and incentives	2,73,76,753	2,28,59,600
(b) Contribution to Provident and other funds	8,29,798	6,66,146
(c) Staff welfare expenses	11,08,192	10,86,230
<b>Total</b>	<b>2,93,14,743</b>	<b>2,46,11,976</b>

**Note 24**

Disclosure pursuant to Note no. 3 of Part II of Schedule VI to the Companies Act, 1956

Finance costs	As at 31 March 2013		As at 31 March 2012	
	Amount	Amount	Amount	Amount
<b>INTEREST EXPENSES :-</b>		3,10,40,922		1,99,65,164
-				
<b>Interest on Working Capital (C/C)</b>	1,34,69,646		1,36,69,910	
<b>Interest on Term Loan</b>				
- Interest on PNB Term Loan - 175600IB20032773	2,88,463		4,11,895	
- Interest on PNB Term Loan - 175600IB20032904	1,00,14,585		-	
- Interest on PNB Term Loan - 175600IB20032995	3,04,846		-	
- Interest on PNB Term Loan - 175600IB20032834	42,16,188		41,39,321	
- Interest on PNB Term Loan - 175600IC00000146	3,86,952		520,037	
<b>Interest on Motor Car</b>				
- Interest on PNB Motor Car Loan - 175600IB20332932	96,705		36,754	
- Interest on PNB Motor Car Loan - 175600NG00002932	-		(7,349)	
- Interest on PNB Motor Car Loan - 175600NG00002969	19,346		56,081	
- Interest on PNB Motor Car Loan - 175600NG00003126	1,07,996		94,776	
- Interest on PNB Motor Car Loan - 175600NG00003311	1,09,179		3,827	
<b>Interest on PCFC</b>				
P.N.B.175600UE00000157 (PCFC)	66,798		56,285	
P.N.B.175600UE00000166 (PCFC)	81,469		45,916	
P.N.B.175600UE00000175 (PCFC)	84,389		36,064	
P.N.B.175600UD00000193 (PCFC)	66,624		-	
P.N.B.175600UD00000051 (PCFC)	-		3,45,998	
P.N.B.175600UD00000209 (PCFC)	42,796		-	
P.N.B.175600UD00000218 (PCFC)	66,746		-	
P.N.B.175600UD00000184 (PCFC)	1,11,781		-	
P.N.B.175600UD00000236 (PCFC)	47,046		-	
<b>Interest on PC</b>				
P.N.B.175600UD00000060 (PC)	2,75,697			
P.N.B.175600UE00000079 (PC)	68,594			
<b>Interest on P.N.B.BUYER'S CREDIT LIMITS</b>	11,15,077		5,55,649	
Other borrowing costs		7,06,966		3,98,746
Bank Charges & Commission		14,41,126		10,23,117
Applicable net gain/loss on foreign currency transactions and translation		46,96,384		-
<b>Total</b>		<b>3,78,85,399</b>		<b>2,13,87,027</b>

## Note 25

Sr No	Other expenses	As at 31 March 2013		As at 31 March 2012	
		Amount	Amount	Amount	Amount
1	<b>Manufacturing Expenses</b>				
	Consumption of Stores & Spares	1,32,40,318		1,26,66,719	
	Power & Fuel	1,14,29,743		94,49,897	
	Direct Expenses	1,64,79,275		78,85,814	
	Exchange Difference (net)	-9,41,296		42,02,985	
	Repairs to machinery	4,43,727	37,023,580	13,03,628	3,55,09,043
2	<b>Administrative Expenses</b>				
	LEGAL & PROFESSIONAL CHARGES	11,30,605		12,10,301	
	Director Remunerations & Other Expenses	30,00,000		25,09,714	
	CONVEYANCE EXPENSES	9,91,416		6,04,936	
	Telephone & Internet Charges	3,65,879		701,124	
	Office Maintenance & Other Expenses	15,30,540		237,656	
	Factory Maintenance & Other Expenses	1,62,710		4,76,624	
	Rates & taxes	3,06,990		80,100	
	Rent	2,69,375		204,300	
	REPAIR & MAINTENANCE (Others)	3,82,209		11,05,249	
	REPAIR & MAINTENANCE (Building)	16,642		65,693	
	Motor Car Expenses	6,29,332		589,178	
	Secretarial Work Charges	2,66,139		362,319	
	PRINTING & STATIONERY (Misc)	5,95,601		476,486	
	Insurance	5,06,353		348,254	
	GENERAL EXPENSES	7,47,601		865,637	
	<b>Payment to Auditors</b>	75,000	1,09,76,393	75,000	99,12,573
3	<b>Selling &amp; Distribution Expenses</b>				
	Warehousing and Distribution expenses	49,29,087		53,74,191	
	Advertisement & sales promotion	14,99,033		17,30,151	
	Foreign and Domestic Travelling Expenses	56,03,212		54,49,984	
	Other Selling & Distribution expenses	13,55,593	1,33,86,925	9,07,885	1,34,62,210
4	<b>Miscellaneous Expense</b>		1,98,929		1,73,568
	<b>Total</b>		6,52,14,014		5,90,57,394

Sr No	Audit fees	As at 31 March 2013	As at 31 March 2012
		Amount	Amount
1	<b>Payments to the auditor as</b>		
	<b>a. auditor,</b>		
	a. As Auditor		
	Statutory Audit Fee	50,000	50,000
	Tax Audit Fee	25,000	25,000
	<b>Total</b>	<b>75,000</b>	<b>75,000</b>

**Note 26**

Disclosure pursuant to Note no. 5(viii)(a) of Part II of Schedule VI to the Companies Act, 1956

**VALUE OF IMPORTED GOODS CALCULATED ON C.I.F. BASIS**

<u>Description</u>	<u>2012-13</u>	<u>2011-12</u>
a) Capital Goods	117400405	NIL
b) Raw Materials	69810650	77765929

**Note 27**

Disclosure pursuant to Note no. 5(viii)(b) of Part II of Schedule VI to the Companies Act, 1956

<u>Expenditure in foreign currency during the financial year in respect of:</u>	<u>2012-13</u>	<u>2011-12</u>
	<u>Amount</u>	<u>Amount</u>
v) Travelling Expenses	2185676	1793000

**Note 28**

Disclosure pursuant to Note no. 5(viii)(c) of Part II of Schedule VI to the Companies Act, 1956

**CONSUMPTION OF RAW MATERIAL**

<u>Description</u>	<u>2012-13</u>		<u>2011-12</u>	
	<u>VALUE (₹)</u>	<u>PERCENTAGE</u>	<u>VALUE (₹)</u>	<u>PERCENTAGE</u>
IMPORTED	69810650	20.70	77765929	29.12
INDIGINEOUS	267452477	79.30	189316439	70.88
	<b>337263128</b>	<b>100.00</b>	<b>130786741</b>	<b>100.00</b>

The Value of Raw Material consumption is excluding expenses.

**Note 29**

Disclosure pursuant to Note no. 5(viii)(e) of Part II of Schedule VI to the Companies Act, 1956

<u>Earnings in Foreign Exchange</u>	<u>2012-13</u>	<u>2011-12</u>
	<u>Amount</u>	<u>Amount</u>
Export at FOB value	102118586	120729064

**Note 30****Earnings Per Share**

<u>Description</u>	<u>2012-13</u>	<u>2011-12</u>
Profit/(Loss) after Tax as per Profit and Loss Account	1,26,55,215	7,727,402
Weighted-average No of Equity Share of ₹ 10/- each for basic/diluted EPS	6,750,000	6,750,000
Earnings per Share Basic/Diluted - ₹	1.87	1.14

**Note 31****EMPLOYEE BENEFITS - Disclosures pursuant to Accounting Standard - 15 (Revised)****Defined Contribution plans:**

Contribution to the regional Provident Fund Commissioner to secure retrial benefits in respect of Employees' Provident Fund and Employees' Family Pension Fund, based on the Statutory Provisions as per the Employees' provident Fund Scheme, ₹ 666146/- (Previous Year ₹ 400291/-) is recognised as an expense and shown under the head "Salary, Wages and Employees' Benefits" (Schedule-23) in the Profit and Loss Account.

## Defined Benefit Plans:

I. Reconciliation of Defined Benefit Obligation (DBO)	Gratuity (Unfunded)	
	2013	2012
<b>Present value of DBO at start of year</b>	<b>290</b>	<b>Nil</b>
Current Service Cost	300	193
Interest Cost	<b>26</b>	*
Past Service Cost	-	97
Actuarial Loss/(Gain)	<b>(38)</b>	*
<b>Present value of DBO at end of year</b>	<b>578</b>	<b>290</b>
* No Interest cost and actuarial (gain)/loss since this is the first year of valuation		
II. Expenses Recognised in the Profit and Loss Account	Gratuity (Unfunded)	
	2013	2012
Current Service Cost	300	193
Interest Cost	26	-
Past Service Cost	-	97
Actuarial Loss/(Gain)	<b>(38)</b>	-
<b>Employer Expenses</b>	<b>288</b>	<b>290</b>
III. Net Liability/(Asset) recognised in the Balance Sheet	Gratuity (Unfunded)	
	2013	2012
Present Value of DBO	578	290
Fair Value of Plan Assets	-	-
Net Liability/ (Asset)	578	290
Unrecognised Past service cost	-	-
<b>Liability/(Asset) recognised in the Balance Sheet</b>	<b>578</b>	<b>290</b>
<b>Of which, Short term Provision</b>	<b>-</b>	<b>-</b>
IV. Actuarial Assumptions	Gratuity (Unfunded)	
	2013	2012
Salary Growth Rate	8% p.a.	8% p.a.
Discount Rate	7.9% pa	8.8% pa
<b>Withdrawal/ Attrition Rate</b>		
For Employees up to age 35	10% pa	10% pa
For Employees greater than age 35	2% pa	2% pa
Mortality Rate	IALM 2006-08(Uit)	LIC 1994-96(Uit.)
Expected average remaining working life (years)	<b>13</b>	<b>13</b>
V. Experience Adjustments	Gratuity (Unfunded)	
	2013	2012
Defined Benefit Obligation	578	290
Fair Value of Plan Assets	-	-
<b>Funded Position:[Surplus/(Deficit)]</b>	<b>(578)</b>	<b>(290)</b>
<b>Experience Adjustment on Plan Liabilities:(Gain)/Loss</b>	<b>(98)</b>	<b>-</b>
<b>Experience Adjustment on Plan Assets: Gain/(Loss)</b>	<b>N.A</b>	<b>N.A</b>

During the year the company has provided the Leave Encashment Liability of ₹ 597000/- (P.Y. 452000/-) as per actuarial valuation certificate.



**Note 32****Disclosure pursuant to Note no. 6(U) of Part I of Schedule VI to the Companies Act, 1956**

<u>Particulars</u>	<u>Total</u>	<u>Per share</u>
Dividends proposed to be distributed to equity shareholders	2,025,000.00	0.30

**Note 33****Related Party Disclosure**

(a) List of Related Parties

Key Management Personnel

Ravi N Gupta

(Managing Director)

Narendra R. Gupta

(Whole Time Director)

(b) Transaction with Related Parties

	Related Parties
	Key Management personnel
Payment to Directors	3000000 (2509714)

**Note:- Figures in the bracket indicate previous year figures.****34. Details of Amalgamations**

In terms of the Scheme of Arrangement (Amalgamation in the nature of Merger, under the Pooling of Interest Method), Quickcut Engineering Company private Limited (referred to as 'Transferor Companies'), has been merged with Trident Tools Limited (Transferee Company), upon which the undertaking and the entire business, including all assets and liabilities of the Transferor Companies stand transferred to and vested in the Transferee Company at their Book value as determined by the Board of Directors of the Transferee Company. Quickcut Engineering Company Private Limited was engaged in the business of all types of tools, instrument, spares etc. i.e. in the same line of business with the transferee Company.

The Scheme of Arrangement filed by the Company has been approved by the Honourable High Courts of Judicature at Bombay, with an appointed date of 1st April, 2012 and an effective date of 05th July, 2013 ('the Effective Date'), being the date on which all the requirements under the Companies Act, 1956 have been completed.

Pursuant to the Scheme, the Company will allot 49,50,000 equity shares of ₹ 10/- each (42.30 % of shares in the Transferee Company) to the shareholders in the Transferor Companies in the proportion of 99 Equity shares of ₹ 10/- each of the transferee Company, for 1 Equity share of Rs. 10/- each held by the shareholder of the Transferor Company.

Details of assets and liabilities acquired on amalgamation and treatment of the difference between the consideration and the value of the net identifiable assets acquired, and the treatment thereof:

	Year ended 31 March, 2012	
	₹ In lakhs	₹ In lakhs
Value of assets and liabilities acquired:		
Fixed assets	15.04	
Current assets	6.96	<b>22.00</b>
Less:		
Current Liabilities	1.84	
Unsecured Loan	11.95	
Value of shares of the Company issued to the transferor shareholders	495.00	
Reserves & surplus	3.21	<b>512.00</b>
<b>Difference adjusted against reserves</b>		<b>(490)</b>

35. Previous figure have been regrouped and re-arranged wherever considered necessary.

36. Other additional information of part II of Schedule VI of the Companies Act, 1956 are either Nil or N.A

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As per our Report of even date

For GIRISH PATEL & CO.  
Chartered Accountants

**Girish Patel**

Proprietor

**Mumbai**

**September 02, 2013**

For and on behalf of Board

**Narendra R. Gupta**  
Chairman

**Ravi N Gupta**  
Director

**Snehal M. Raikar**

Company Secretary

**Registered Office:** Survey No. 26, Tembhode, Shirgaon Road, Dhansar Village, Palghar – 401404

Dear Shareholder

**Sub: Dividend**

You will be aware that the Board of Directors of the Company, at its meeting held on May 14, 2012, recommended a dividend of 0.30 per equity share of ₹ 10/- subject to the approval of the members at the Annual General Meeting scheduled to be held on September 30, 2013.

To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the members for remittance of dividend through the National Electronic Clearing Services (NECS). NECS essentially operates on the new and unique bank account number allotted by banks post implementation of Core Banking Solution (CBS) for centralized processing on inward instructions and efficiency in handling bulk transaction. This facility is available at locations identified by Reserve Bank of India from time to time. This is in addition to the existing facility of ECS in other locations.

Members holding shares in electronic mode are requested to intimate all changes pertaining to their bank details to their Depository Participant and not to the Company or Company's Share Transfer Agent, in order to arrange the dividend payment by NECS / ECS or through warrant by printing the bank details, as the case may be.

Members who hold shares in physical form and desirous of availing this facility are requested to use the format below, to furnish the bank details of the first named shareholder and send the same to the Company/Share Transfer Agent, not later than October 6, 2013 to update the bank details and arrange the dividend payment by NECS / ECS or through warrant by printing the bank details, as the case may be.

----- TEAR OFF -----

**Registered Office:** Survey No. 26, Tembhode, Shirgaon Road, Dhansar Village, Palghar – 401404

**NECS / ECS Mandate / Bank details updation Form  
For the use of members holding shares in physical form only**

I/We hereby provide the Bank account details of the first named shareholder for arranging payment of dividend through NECS/ECS, if available for the location OR to print the bank details on the dividend warrant as the case may be.

1. Folio number	
2. Name of the first named shareholder	
3. Bank name	
4. Bank account number (Core Banking No.)	
5. Account type (SB/OD/CURR/NRO)	
6. Nine Digit MICR code appearing on the cheque issued by the bank	Please attach a photocopy of the cheque leaf pertaining to the above account for verification/acceptance.

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We will not hold the Company responsible.

1 \_\_\_\_\_ 2 \_\_\_\_\_ 3 \_\_\_\_\_

Signature of shareholder(s)



**Registered Office:** Survey No. 26, Tembhode, Shirgaon Road, Dhansar Village, Palghar – 401404

**ATTENDANCE SLIP**

Please bring this attendance slip and hand it over at the entrance of the venue of the meeting

Name & Address of the Shareholder

.....  
 .....  
 .....

FOLIO NO.

DP/ID\*

CLIENT ID\*

I hereby record my presence at ANNUAL GENERAL MEETING AT SURVEY NO. 26, TEMBHODE, SHIRGAON ROAD, DHANSAR VILLAGE, PALGHAR – 401,404 at 11:30 A.M. on Thursday September 30, 2013.

Signature of the Member or Proxy

Shares Held

Shareholders/Proxy holders are requested to bring the attendance slips with them duly completed and hand them over at the entrance.

----- TEAR OFF -----

**Registered Office:** Survey No. 26, Tembhode, Shirgaon Road, Dhansar Village, Palghar – 401404

**PROXY FORMS**

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member(s) of Trident Tools Limited, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, September 30<sup>th</sup>, 2013 at 11.30 a.m. at Survey No 26, Tembhode Shirgaon Road, Dhansar Village, Palghar 401404 and at any adjournment thereof.

Signed this.....day of.....2013

FOLIO NO.

DP.ID		CLIENT ID	
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Affix Re. Revenue Stamp and Sign
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- Note:
1. The duly filled/signed proxy portion should be sent to the Registered Office of the Company at Survey No. 26, Tembhode, Shirgaon Road, Dhansar Village, Palghar – 401,404 so as to reach not later than 48 hours before the commencement of the aforesaid meeting.
  2. The proxy holder/shareholder should handover the attendance slip portion at the entrance of the venue of the meeting.



## Manufacturing Operations



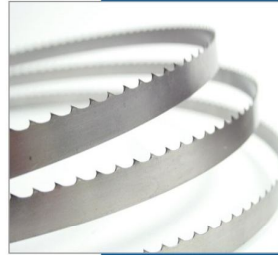
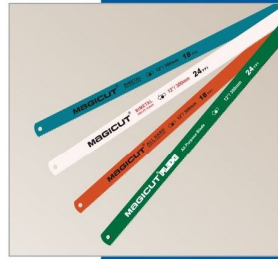
## Sales Conference & Distributor Visits



## Worldwide Exhibitions



An ISO 9001 : 2008 Certified Company



# MAGICUT<sup>®</sup>

**Trident Tools Ltd**

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Kandivali East, Mumbai 400 101. India.

**Tel:** + 91 22 2884 7191

**Fax:** + 91 22 2846 2388

**Email:** [info@magicuttools.com](mailto:info@magicuttools.com)

**Web:** [www.magicuttools.com](http://www.magicuttools.com)

**Registered Office & Works:**

Gut No.171, Satpati Rd, Village Dhansar  
Palghar Thane - 401 404. India.

