

MARATHWADA REFRACTORIES LIMITED

32nd

**ANNUAL REPORT
2010-2011**

MARATHWADA REFRACTORIES LIMITED

BOARD OF DIRECTORS

Mr. A. Anil Kumar
Mr. Prakash G. Hegde
Mr. K.S. Vasudeva Murthy
Mr. H.S. Girish Gupta

BANKERS

Union Bank of India, Aurangabad
Union Bank of India, Delhi
Punjab National Bank, Bangalore

AUDITORS

Khandelwal Jain & Co.,
Chartered Accountants, Aurangabad

REGISTERED OFFICE

F-4/1, Chikalhana,
Industrial Area, MIDC,
Aurangabad - 431 210

Marathwada Refractories Limited

Registered Office: F-4/1, Chikalthana Industrial Area, MIDC, Aurangabad - 431 210

NOTICE

NOTICE is hereby given that the 32nd Annual General Meeting of the Company will be held at 11.00 AM on Monday the 26th September 2011 at the Registered Office of the Company at F-4/1, Chikalthana Industrial Area, MIDC, Aurangabad-431210 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited accounts for the year ended 31st March 2011 along with the report of the auditors' thereon and the report of the Board of Directors
2. To appoint the auditor of the Company in place of retiring auditors

SPECIAL BUSINESS:

3. **Appointment of Mr. A. Anil Kumar as director**

To consider and if thought fit, approve the following as an ordinary resolution:-

RESOLVED THAT pursuant to provisions of Section 264, 266 and other applicable provisions of the Companies Act, 1956, Mr. A. Anil Kumar, who was appointed as additional director on 13th April 2011 and whose term of office comes to an end at this Annual General Meeting, be and is hereby appointed as a director of the Company, liable for retirement by rotation.

4. **Appointment of Mr. Prakash G. Hegde as director**

To consider and if thought fit, approve the following as an ordinary resolution:-

RESOLVED THAT pursuant to provisions of Section 264, 266 and other applicable provisions of the Companies Act, 1956, Mr. Prakash G. Hegde, who was appointed as additional director on 13th April 2011 and whose term of office comes to an end at this Annual General Meeting, be and is hereby appointed as a director of the Company, liable for retirement by rotation.

5. **Appointment of Mr. K.S. Vasudeva Murthy as director**

To consider and if thought fit, approve the following as an ordinary resolution:-

RESOLVED THAT pursuant to provisions of Section 264, 266 and other applicable provisions of the Companies Act, 1956, Mr. K.S. Vasudeva Murthy, who was appointed as additional director on 13th April 2011 and whose term of office comes to an end at this Annual General Meeting, be and is hereby appointed as a director of the Company, liable for retirement by rotation.

6. **Appointment of Mr. H.S. Girish Gupta as director**

To consider and if thought fit, approve the following as an ordinary resolution:-

RESOLVED THAT pursuant to provisions of Section 264, 266 and other applicable provisions of the Companies Act, 1956, Mr. H.S. Girish Gupta, who was appointed as additional director on 13th April 2011 and whose term of office comes to an end at this Annual General Meeting, be and is hereby appointed as a director of the Company, liable for retirement by rotation.

By order of the Board of Directors,

Place : Bangalore

Dated : 26th August 2011

H.S. Girish Gupta
Director

NOTES:

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote, on a poll, in his/her stead and the proxy need not be a member of the Company. Proxies in order to be effective must be deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting.
- 2) The Register of Members and share transfer books will remain closed from 19th September 2011 to 26th September 2011, (both days inclusive).
- 3) The shares of the Company are registered in electronic form with the Central Depository Services (India) Limited (CDSL) and National Security Depository Limited (NSDL) under ISIN INE347D01011. The members are requested to correspond with M/s. Link Intime India Private Limited (formerly M/s. Intime Spectrum Registry Limited), A-40, 2nd Floor, Naraina Industrial Area, Near Batra Banquet Hall, New Delhi - 110028, Registrar and Share Transfer Agent of the Company, with regard to services for share transfers for both physical and electronic segments and any other matter relating to the shares.
- 4) Members are requested to notify immediately any change in their address, to the Registrar and Share Transfer Agent/Registered Office of the Company. Any communication with the Company will be greatly facilitated, if the Folio Number is quoted in the correspondence.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.3

Mr. A. Anil Kumar was appointed as an additional director of the Company with effect from 13th April 2011 and in terms of Section 260 of the Companies Act, 1956 and holds office up to the date of the forth coming Annual General Meeting. The Company has received a notice pursuant to section 257 of the Companies Act, 1956 together with the requisite deposit from a shareholder of the Company proposing the appointment of Mr. Anil Kumar as a director of the Company. Mr. Anil Kumar has given a declaration that in terms of Section 274(1)(g) and other applicable provisions of the Companies Act, 1956, he is not disqualified to be appointed as a director of the Company.

Mr. Anil Kumar is a qualified Chartered Accountant, Cost Accountant and Company Secretary and has over 20 years of experience in corporate finance, treasury, compliance and corporate governance functions.

Copies of the declaration received from Mr. Anil Kumar and the notice received under Section 257 of the Companies Act, 1956 are available for inspection at the Registered Office of the Company during working hours on all working days up to the date of the meeting.

Apart from Mr. Anil Kumar, no other director is concerned or interested in the resolution directly or indirectly.

Item No.4

Mr. Prakash G. Hegde was appointed as an additional director of the Company with effect from 13th April 2011 and in terms of Section 260 of the Companies Act, 1956, holds office up to the date of the forth coming Annual General Meeting. The Company has received a notice pursuant to section 257 of the Companies Act, 1956 together with the requisite deposit from a shareholder of the Company proposing the appointment of Mr. Prakash Hegde as a director of the Company. Mr. Prakash Hegde has given a declaration that in terms of Section 274(1)(g) and other applicable provisions of the Companies Act, 1956, he is not disqualified to be appointed as a director of the Company.

Mr. Prakash Hegde is a qualified Chartered Accountant and Company Secretary and has over 20 years of experience in corporate finance, treasury, compliance and corporate governance functions and has worked with various multi national companies.

Copy of the declaration received from Mr. Prakash Hegde and the notice under Section 257 of the Companies Act, 1956 are available for inspection at the Registered Office of the Company during working hours on all working days up to the date of the meeting.

Apart from Mr. Prakash Hegde, no other director is concerned or interested in the resolution directly or indirectly.

Item No.5

Mr. K.S. Vasudeva Murthy was appointed as an additional director of the Company with effect from 13th April 2011 and in terms of Section 260 of the Companies Act, 1956, holds office up to the date of the forth coming Annual General Meeting. The Company has received a notice pursuant to section 257 of the Companies Act, 1956 together with the requisite deposit from a shareholder of the Company proposing the appointment of Mr. Vasudeva Murthy as a director of the Company. Mr. Vasudeva Murthy has given a declaration that in terms of Section 274(1)(g) and other applicable provisions of the Companies Act, 1956, he is not disqualified to be appointed as a director of the Company.

Mr. Vasudeva Murthy is a qualified Chartered Accountant and Cost Account and has over 20 years of experience in corporate accounting, finance and audit functions.

Copy of the declaration received from Mr. Vasudeva Murthy and the notice under Section 257 of the Companies Act, 1956 are available for inspection at the Registered Office of the Company during working hours on all working days up to the date of the meeting.

Apart from Mr. Vasudeva Murthy, no other director is concerned or interested in the resolution directly or indirectly.

Item No. 6

Mr. H.S. Girish Gupta was appointed as an additional director of the Company with effect from 13th April 2011 and in terms of Section 260 of the Companies Act, 1956, holds office up to the date of the forth coming Annual General Meeting. The Company has received a notice pursuant to section 257 of the Companies Act, 1956 together with the requisite deposit from a shareholder of the Company proposing the appointment of Mr. Girish Gupta as a director of the Company. Mr. Girish Gupta has given a declaration that in terms of Section 274(1)(g) and other applicable provisions of the Companies Act, 1956, he is not disqualified to be appointed as a director of the Company.

Copy of the declaration received from Mr. Girish Gupta and the notice under Section 257 of the Companies Act, 1956 are available for inspection at the Registered Office of the Company during working hours on all working days up to the date of the meeting.

Apart from Mr. Girish Gupta, no other director is concerned or interested in the resolution directly or indirectly.

Place : Bangalore

Date : 26th August 2011

for Marathwada Refractories Limited,

H.S. Girish Gupta
Director

MARATHWADA REFRACTORIES LIMITED

Director's Report

To,
The Members,
Marathwada Refractories Limited

Your Directors have pleasure in presenting the Thirty Second Annual Report of your Company together with audited Accounts and Balance Sheet for the year ended 31st March, 2011.

1. Financial Results :

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Profit before Prior Period Items & Taxation	11,70,452	81,09,471
Add/(Less) :		
Prior Period Items:		
Sales Tax	(28,052)	(73,64,477)
ESIC	-	(1,68,678)
Others	-	-
Refund of Income Tax - earlier year	-	-
Add/(Less):Provisions	-	-
Income tax - earlier year	-	-
Income Tax - current year	-	-
Deferred Tax Liability	2,008	1,73,386
Fringe Benefit Tax	-	-
Profit after taxation	11,44,408	7,49,702
Add: Profit brought forward	9,54,34,098	9,46,84,396
Balance carried to Balance Sheet	9,65,78,506	9,54,34,098

2. Operations :

During the year under consideration the company has earned income mainly from dividend as it has already closed manufacturing operations at Aurangabad.

The Company is exploring the avenues available in real estate sector.

3. Dividend:

Your Directors have decided not to recommend dividend on shares.

4. Particulars under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988:

A. Conservation of energy:

There is no manufacturing activity carried out during the year.

B. Foreign Exchange Earning and Outgo:

There are no foreign exchange earnings or outgoes.

5. Public Deposits:

The Company has not accepted any deposit within the meaning of section 58 A of the Companies Act, 1956.

6. Particulars of Employees:

None of the employees are covered under the provisions of Section 217 (2A) of the Companies Act, 1956.

7. Change in Management Control:

Consequent to the completion of the Open Offer triggered by the Share Purchase Agreement entered into by Mr. M.H. Dalmia and others, the erstwhile promoters of the Company with Mr.Sushil Pandurang Mantri and transfer of shares held in escrow account to the account of Mr.Sushil Pandurang Mantri, the management control of the Company stands transferred from Mr. M. H. Dalmia and others to Mr. Sushil Pandurang Mantri. Consequently, Mr.Sushil Pandurang Mantri has been classified as the promoter of the Company.

8. Directors:

Shri Sandip Jhunjhunwala resigned from the Board of Directors of the Company with effect from 30.03.2011. Shri H. B. Belwal and Shri Ashwani Bhatia also resigned from the Board of Directors with effect from 14.04.2011, pursuant to the change in management control of the Company.

Shri A. Anil Kumar, Shri Prakash G. Hegde, Shri K. S. Vasudeva Murthy and Shri H. S. Girish Gupta have been appointed as Additional Directors of the Company with effect from 13.04.2011, till the conclusion of next Annual General Meeting of the Company. Notice pursuant to Section 257 of the Companies Act, 1956 has been received from a member of the Company, proposing the candidatures of Shri A. Anil Kumar, Shri Prakash G. Hegde, Shri K. S. Vasudeva Murthy and Shri H.S. Girish Gupta as Directors of the Company at the ensuing Annual General Meeting.

No director is liable to retire by rotation as all the existing directors are additional directors, as mentioned above.

9. Listing of Shares:

In terms of clause 31 of the listing Agreement as amended it is confirmed that the shares of the Company are listed at the Bombay Stock Exchange & the Calcutta Stock Exchange Association Limited and the necessary listing fees have been paid.

10. Compliance Certificate

In terms of the proviso to Section 383A of the Companies Act, 1956, Compliance Certificate obtained from Shri B.D. Tapiya, a Company Secretary in practice, for the year ended 31st March, 2011, is annexed.

11. Director's Responsibility Statement:

The Directors confirm

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii) that Directors have selected such accounting policies and applied them consistently and made

- judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at 31st March 2011, and of the profit or loss of the Company for that year;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding assets of the Company and preventing and detecting fraud and other irregularities;
- iv) that the directors have prepared the annual accounts on a going concern basis.

12. Auditors:

M/s.Khandelwal, Jain & Co., Chartered Accountants, the auditors appointed in the 31st Annual General Meeting retire at the end of 32nd Annual General Meeting. A notice has been received for appointment of M/s.Guru & Jana, Chartered Accountants, Bangalore as the auditors of the Company in place of the retiring auditors.

13. Disclosure of names of constituents of "Group" pursuant to Regulation 3 (1)(e)(i) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Shri Sushil Pandurang Mantri

for and on behalf of the Board of Directors
Marathwada Refractories Limited

Sd/-
A. Anil Kumar
Director

Sd/-
Prakash G. Hegde
Director

Sd/-
K.S. Vasudeva Murthy
Director

Sd/-
H.S. Girish Gupta
Director

Place : Bangalore

Date : 10th May 2011

B. D. TAPRIYA, LLB, FCS
Company Secretary
6-C, Friends Apartments,
49, Patparganj, Delhi - 110092
Ph : 22242401 Fax : 22530935

COMPLIANCE CERTIFICATE

CIN : L26900MH1979PLC021846

To,

The Members,
Marathwada Refractories Limited,
F-4/1, Chikalthana, Industrial Area, MIDC
Aurangabad - 431 210.

I have examined the registers, records, books and papers of Marathwada Refractories Limited (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also provisions contained in the Memorandum and the Articles of Association of the Company for the year ended 31st March 2011. In my opinion and to the best of my information and according to the examinations carried out by me explanations furnished to me by the company and its agents, I certify that in respect of the aforesaid financial year :-

1. The Company has kept and maintained all registers as stated under, as per the provisions and the rules made there under and all entries therein have been duly recorded :-
 - i) Register of Members u/s 150 and 151 (through the Registrar & Transfer Agent of the Company);
 - ii) Register of Share Transfer u/s.108(1-A) (through the Registrar & Transfer Agent of the Company);
 - iii) Register of issue of Duplicate Share Certificates (Through the Registrar & Transfer Agent of the Company);
 - iv) Books of Accounts u/s.209;
 - v) Register of Contracts in which Directors are interested u/s.301;
 - vi) Register of Directors u/s.303;
 - vii) Register of Directors' Shareholding u/s.307;
 - viii) Minutes book of meetings of the Board of Directors and Shareholders;
 - ix) Register of Investments u/s.372A;
 - x) Register of Directors Attendance in Board Meeting and shareholders attendance in General Meetings.
2. The Company has duly filed the forms and returns as stated under, with the Registrar of Companies:
 - (i) Form 32 u/s.303(2);
 - (ii) Annual Accounts u/s.220;
 - (iii) Compliance Certificate u/s.383A; and

(iv) Annual Return u/s.159

3. The Company is a Public Limited Company and its paid-up capital is ₹ 70 lacs. During the year, the Company:
- Has not invited to subscribe for its shares
 - Has not invited or accepted any deposits from public
4. The Board of Directors of the Company duly met on following dates:
- Date of meetings of Board/Committee
- 10.05.2010
 - 06.08.2010
 - 02.11.2010
 - 28.01.2011
5. The Company closed its Register of Members from 16th September 2010 to 30th September 2010 during the year.
6. The Annual General Meeting for the financial year ended on 31.3.2010 was held on 30th September, 2010.
7. No Extra Ordinary General Meeting was held in the said financial year.
8. The Company has not advanced any loan to its directors and/or persons or firms or companies referred in Section 295 of the Act.
9. The Company has not entered into contracts covered under the provisions of section 297 of the Act.
10. The Company has complied with the requirements of Section 301 of the Act.
11. The provisions of Section 314 of the Act were not applicable to the Company during the financial year.
12. The Company has not issued any duplicate share certificates during the year.
13. The Company has:
- Received shares for transfer/transmission during the year. The Company has delivered all the Certificates on lodgment of Shares for transfer/ transmission/consolidation/split of shares as per record of RTA.
 - Not deposited any amount in a separate Bank account as no dividend was declared during the financial year.
 - Not posted warrants to any member of the Company as no dividend was declared during the financial year.
 - No amounts unpaid in dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years and hence, transferring of the same to the Investor Education and Protection Fund does not arise.
 - Duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors is duly constituted and appointment of all directors has duly been made.

15. The Company has not appointed any Managing Director/Whole-time Director/ Manager.
16. No sole selling agents during the financial year.
17. The Company was not required to obtain any approval from Central Government, Company Law Board, Regional Director, Registrar or such other authorities under the various provisions of the Act.
18. The directors duly disclosed their interest in other firms/ companies during the financial year 2010-11 and that is duly recorded in the register kept for that purpose.
19. The Company has not issued any shares.
20. The Company has not bought back any shares.
21. The Company has not issued any preference shares.
22. The Company was not required to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not taken deposits under the provisions of Section 58A of 58AA read with the Companies (Acceptance of Deposits) Rules, 1975/the applicable direction issued by the Reserve Bank of India/any other authority.
24. No amount has been borrowed by the Company from Directors, members, Public Financial Institutions, banks and others during the financial year ending 31st March 2011.
25. The Company has not made any loan to other bodies corporate during the financial year.
26. The Company has not altered the provision of Memorandum with respect of situation of the Company's Registered Office from one state to another during the year under scrutiny after complying with the provisions of the Act.
27. The Company has not altered the provision of Memorandum with respect to objects of the Company during the year under scrutiny after complying with the provisions of the Act.
28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the company during the year under scrutiny.
29. The Company has not altered the provision of Memorandum with respect to share capital of the Company during the year under scrutiny after complying with the provisions of the Act.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. There was no prosecution initiated against or show cause notice received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial year, for the offences under the Act.
32. No amount has been received as security from its employees during the year.
33. The Company has deposited contribution to Provident Fund with the prescribed authorities pursuant to Section 418 of the Act.

Place : Delhi
Date : 19.04.2011

Sd/-
B. D. Tapriya
CP No. 2059

KHANDELWAL JAIN & CO

CHARTERED ACCOUNTANTS

1st Floor, City Pride Building,

Near Mondha Naka Signal,

Jalna Road, Aurangabad.

mailto:gmbothara@kjco.net

Tel. / Fax: (0240) 2331967, 2354844 and 2353372

MARATHWADA REFRACTORIES LIMITED**AUDITORS' REPORT**

To,
The Shareholders,
Marathwada Refractories Limited.
Aurangabad.

We have audited the attached Balance Sheet of Marathwada Refractories Limited as at 31st March, 2011 and also the annexed Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Statement on the Companies (Auditor's Report) Order, 2003 issued by the Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956, on the basis of such checks as considered appropriate and according to the information and explanation given to us during the course of the audit, we give in the Annexure hereto a statement on the matters specified in Paragraphs 4 and 5 of the Order.
2. Further to our comments in the annexure referred to in paragraph 1 above we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by the report are in agreement with the books of accounts;
 - d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable;
 - e) On the basis of our review of the confirmations received from the companies in which the directors of the Company are directors and the information and explanations given to us, none of the directors of the Company are disqualified under section 274 (1) (g) of the Companies Act 1956, from being appointed as director;

- f) In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Companies Act, 1956 in a manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - ii. in the case of the Profit and Loss Account, of the Profit of the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Khandelwal Jain & Co.
Chartered Accountants

Sd/-
(G.M. Bothara)
Partner
Membership No. 16119
Firm Registration No.: 105049W

Place : Aurangabad
Date : 10th May 2011

KHANDELWAL JAIN & CO
CHARTERED ACCOUNTANTS

1st Floor, City Pride Building, Near Mondha Naka Signal, Jalna Road, Aurangabad.
mailto:gmbbothara@kjco.net
Tel. / Fax: (0240) 2331967, 2354844, and 2353372

MARATHWADA REFRACTORIES LIMITED
ANNEXURE TO AUDITORS' REPORT

Annexure to Auditors' Report of even date referred in Paragraph (1) therein

- i) The nature of the Company's Business during the year is such that clause (ii), (viii), (x), (xi), (xii), (xiii), (xv), (xvi), (xvii), (xviii) (xix) and (xx) of CARO are not applicable.
- ii) In respect of fixed assets:
 - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
 - (c) The fixed assets not utilized in business activity have been disposed off during the year.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to any companies, firms or parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure, commensurate with the size of the Company and the nature of its business, for the sale of fixed assets.
- v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanation given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered into the Register maintained under the said Section have been so entered.
 - (b) As explained to us, each of these transactions has been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
- vi) According to the information and explanations given to us, the Company has not accepted any deposits covered under the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules framed there under.
- vii) In our opinion the company has an adequate internal audit system commensurate with the size and nature of its business.
- ix) The Company is regular in depositing undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Sales Tax, Cess and any other statutory dues with appropriate authorities.
- xiv) The company is holding shares and securities as investments. Proper records have been maintained of the transactions and contracts and timely entries have been made therein. The company in its own name has held the shares and other securities.
- xxi) During the year the company has no notice or no reported case of any fraud on or by the company.

For Khandelwal Jain & Co.

Chartered Accountants

Sd/-

(G.M. Bothara)

Partner

Membership No. 16119

Firm Registration No.: 105049W

Place : Aurangabad

Date : 10th May 2011

MARATHWADA REFRACTORIES LIMITED
BALANCE SHEET AS AT 31st MARCH 2011

Particulars	Sch.	As at 31st March 2011 (Rs.)	As at 31st March 2010 (Rs.)
I. SOURCES OF FUNDS			
1 Shareholders' Funds :			
a) Capital	1	70,00,000	70,00,000
b) Reserves & Surplus	2	10,26,02,318	10,14,57,911
2 Deferred Tax Liability (Net)		-	2,008
		10,96,02,318	10,84,59,918
II. APPLICATION OF FUNDS			
1 Fixed assets			
a) Gross Block	3	16,22,754	16,27,754
b) Less: Depreciation		16,05,905	16,03,260
c) Net Block		16,848	24,493
2 Investments	4	20,769	20,769
3 Current Assets, Loans and Advances	5		
a) Sundry Debtors		6,26,729	6,26,729
b) Cash and Bank Balances		3,11,05,251	10,49,54,625
c) Loans and Advances		7,79,45,310	29,70,785
		10,96,77,290	10,85,52,139
Less: Current Liabilities & Provisions	6		
a) Current Liabilities		83,512	1,12,038
b) Provisions		29,077	25,445
		1,12,589	1,37,483
Net Current Assets		10,95,64,701	10,84,14,656
		10,96,02,318	10,84,59,918
Notes Forming Part of accounts	9		

For Khandelwal Jain & Co.
Chartered Accountants

Sd/-
(G.M. Bothara)
Partner
Membership No. 16119
Firm Registration No.: 105049W

for and on behalf of the Board of Directors
Marathwada Refractories Limited

Sd/-
A. Anil Kumar
Director

Sd/-
Prakash G. Hegde
Director

Sd/-
K.S. Vasudeva Murthy
Director

Sd/-
H.S. Girish Gupta
Director

Place: Aurangabad
Date: 10th May 2011

Place: Bangalore
Date: 10th May 2011

MARATHWADA REFRACTORIES LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Schedule	Year ended 31st March 2011 RS.	Year ended 31st March 2010 RS.
INCOME			
Interest (Gross)		-	67,75,889
(TDS Rs. NIL ; Previous Year 13,15,380/-)			
Dividend		22,41,814	18,19,204
Other Income	7	44,675	88,461
Profit on Sale of Fixed Assets		0	1,87,554
		22,86,489	88,71,108
EXPENDITURE			
Administrative & Other Exp.	8	11,09,006	7,50,433
Depreciation	3	7,032	11,204
		11,16,037	7,61,637
Profit before Prior Period Items		11,70,452	81,09,470
<u>Less: Prior Period Items</u>			
- Sales Tax for earlier year		(28,052)	(73,64,477)
- ESIC for earlier year		0	(1,68,678)
Profit before taxation		11,42,400	5,76,315
<u>Provision for Taxation</u>			
Income Tax for earlier year		0	0
Income Tax		0	0
Deferred Tax (Liability) / Asset		2,008	1,73,386
Profit after taxation		11,44,408	7,49,702
Add: Profit brought forward		9,54,34,098	9,46,84,396
Balance carried to Balance Sheet		9,65,78,506	9,54,34,098
Basic & Diluted Earning per Share		1.63	1.07
Notes Forming part of accounts	9		

For Khandelwal Jain & Co.
Chartered Accountants

Sd/-
(G.M. Bothara)
Partner
Membership No. 16119
Firm Registration No.: 105049W

for and on behalf of the Board of Directors
Marathwada Refractories Limited

Sd/- A. Anil Kumar Director	Sd/- Prakash G. Hegde Director
Sd/- K.S. Vasudeva Murthy Director	Sd/- H.S. Girish Gupta Director

Place: Aurangabad
Date: 10th May 2011

Place: Bangalore
Date: 10th May 2011

MARATHWADA REFRACTORIES LIMITED
SCHEDULE FORMING PART OF BALANCE SHEET

Particulars	As at 31st March 2011 (Rs.)	As at 31st March 2010 (Rs.)
SCHEDULE-1: SHARE CAPITAL :		
<u>Authorised</u>	85,00,000	85,00,000
8,50,000 Equity Shares of Rs. 10/- each		
15,000 11% Redeemable Cumulative Preference Shares of Rs. 100/- each.	15,00,000	15,00,000
	1,00,00,000	1,00,00,000
<u>Issued, Subscribed & paid-up.</u>	70,00,000	70,00,000
7,00,000 equity shares of Rs. 10/- each	70,00,000	70,00,000
SCHEDULE-2: RESERVES & SURPLUS :		
15% Central Invest. Subsidy	15,00,000	15,00,000
Investment Allowance utilised	15,23,812	15,23,812
Capital Redemption Reserve	10,00,000	10,00,000
General Reserve	20,00,000	20,00,000
Profit & Loss A/c	9,65,78,506	9,54,34,099
	10,26,02,318	10,14,57,911
SCHEDULE-4: INVESTMENTS (At Cost)		
<u>QUOTED:-</u>	Face Value Rs.	
1000 Equity Shares of 10/- each of APT Packaging Ltd.# (Formerly known as Anil Chemicals and Industries Ltd.)	4000	16,000
1000 Equity Shares of Rs.10/- each of Machhar Industries Ltd.(Formerly Machhar Infrastructure Ltd.)#	1000	4,000
50 Equity Shares of 10/- each of Raasi Refractories Ltd.	500	469
50 Equity Shares of 10/- each of Ispat Industries Ltd. (Formerly known as Nippon Denro Ispat Ltd.)	500	300
		20,769
Book Value of Quoted Investments		20,769
Market Value of Quoted Investments	5,415	6,682
# Market value not available, hence Face Value taken.		

Marathwada Refractories Limited

MARATHWADA REFRACTORIES LIMITED
SCHEDULE FORMING PART OF BALANCE SHEET
SCHEDULE . 3 : FIXED ASSETS

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As on 01-04-2010	Additions during the year	Sales/ Transfer during the year	Total as on 31-03-2011	Upto 01-04-2010	For the Year	Adjustment for Transfer/ Sales during the year	Total upto 31-03-2011	As on 31-03-2011	As on 31-03-2010
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1.	Plant & Machinery	10,48,030	-	-	10,48,030	10,36,461	4,628	-	10,41,089	6,941	11,569
2.	Furniture & Fixtures	5,74,724	-	-	5,74,724	5,62,627	2,190	-	5,64,817	9,907	12,097
3.	Vehicle	5,000	-	5,000	-	4,171	214	4,385	-	0	828
	Total	16,27,754	-	5,000	16,22,754	16,03,259	7,032	4,385	16,05,905	16,848	24,493
	Previous Year	16,80,914	-	53,160	16,27,754	16,31,772	11,204	39,716	16,03,260	24,493	49,142

SCHEDULE-5: CURRENT ASSETS, LOANS AND ADVANCES

a) Sundry Debtors (Unsecured, Considered Good) (Outstanding for a period exceeding 6 Months) Maximum outstanding during the year Rs. 626729/- (Previous Year Rs. 626729/-)	6,26,729	6,26,729
	6,26,729	6,26,729
b) Cash and Bank Balance		
Cash on Hand	2,439	10,435
Balances with Scheduled Banks	3,11,02,812	10,49,44,190
- In Current Account	3,11,05,251	10,49,54,625
c) Loans And Advances		
Advance to Staff and other receivables (Considered Good)	7,50,13,071	20,536
Deposits	6,000	24,010
Refund due - FBT (A.Y.09-10)	972	972
Refund due - FBT (A.Y.08-09)	27	27
Income Tax Refund Due (A.Y.08-09)	6,480	6,480
Income Tax Refund Due (A.Y.09-10)	9,28,380	9,28,380
Income Tax Refund Due (A.Y.10-11)	19,90,380	19,90,380
	7,79,45,310	29,70,785

SCHEDULE-6: CURRENT LIABILITIES & PROVISIONS

A) Current Liabilities:		
I) Other Liabilities	78,493	1,00,469
II) Statutory Liabilities	5,019	11,569
	83,512	1,12,038
B) Provisions :		
Provision for Gratuity	29,077	25,445
	29,077	25,445

MARATHWADA REFRACTORIES LIMITED
SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

Particulars	Year ended 31st March 2011 Rs.	Year ended 31st March 2010 Rs.
SCHEDULE 7		
Other Income :		
Other Misc. Receipts	34,590	79,358
Interest on IT Refund	-	510
Profit on Redemption of Units	10,085	8,593
	44,675	88,461
SCHEDULE 8		
<u>ADMINISTRATIVE & OTHER EXPENSES</u>		
<u>Salaries and Wages etc.</u>		
- Salaries, Wages and Bonus	1,49,150	1,26,086
- Contribution to ESI, PF & etc.	16,726	13,226
- Gratuity	3,632	5,420
- Ex-Gratia	-	44,000
Electricity Charges	2,196	1,921
Rates and Taxes	-	7,568
Office Expenses	38,065	17,063
Printing & stationery	18,131	11,085
Traveling expenses	6,300	22,605
Auditors' Remuneration	37,502	36,123
Advertisement Expenses	69,065	62,479
Telephone & Telex	21,135	17,069
Postage & Telegram	18,920	9,462
Legal Expenses	13,236	85,296
Professional Charges	1,05,300	1,79,132
Professional Tax (Company)	-	2,500
General Expenses	19,161	23,748
Custom Duty (CESTAT, Kolkatta)	45,000	-
Miscellaneous Expenses	28,446	1,250
Conveyance Expenses	11,266	12,475
Filing & Listing Fees	30,554	19,409
Interest (ESIC)	5,380	-
Loss on Redemption of Units	14,407	-
SEBI Settlement Expenses	3,80,000	-
Bank charges	37,234	16,517
Office Rent	38,200	36,000
	11,09,006	7,50,433

MARATHWADA REFRACTORIES LIMITED
CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	As at 31st March 2011 Rs.		As at 31st March 2010 Rs.	
Net Profit/Loss before Taxes		11,70,452		81,09,471
Add : Depreciation	7,032		11,204	
Loss on Redemption	14,407		-	
SEBI Settlement Charges	3,80,000	4,01,439	-	11,204
Less : Dividend on Investment	22,41,814		18,19,204	
Interest Earned	-		67,75,889	
Surplus from Sale of fixed assets	-		1,87,554	
Profit on Redemption	10,085		8,593	
Operating Profit / (Loss)		22,51,899 (6,80,009)		87,91,240 (6,70,565)
A. ADJUSTMENTS FOR WORKING CAPITAL CHANGES				
(Increase)/Decrease loans & Advances	(7,49,74,524)		2,794	
(Decrease) / Increase in Trade Payables	(28,526)		25,274	
(Decrease) / Increase in provision for Gratuity	3,632	(7,49,99,418)	5,420	33,488
Cash generated from operations		(7,56,79,427)		6,37,077
Add : Interest	-		67,75,889	
Less: Sales Tax for Earlier Year	(28,052)		(75,33,155)	
Less : Taxes Paid (Net)	-	(28,052)	(19,82,240)	27,39,506
Net Cash (Utilised) / Generated in Operating Activities		(7,57,07,479)		(33,76,583)
B. CASH FLOW FROM INVESTMENT ACTIVITIES				
Sale of Fixed Assets	613		2,01,000	
Loss on Redemption	(14,407)		-	
Profit on Redemption	10,085		8,593	
Dividend on Investment	22,41,814	22,38,105	18,19,204	20,28,797
Net Cash Generated from Investing Activities		22,38,105		20,28,797

C. CASH FLOW FROM FINANCING ACTIVITIES

Increase/(Decrease) in Unsecured Loans	(3,80,000)			
SEBI Settlement Exp.		(3,80,000)		
Cash used for financing activities		(7,38,49,374)		13,47,786
Net Change in Cash and Cash Equivalents	3,11,05,251		10,49,54,625	13,47,786
Cash and Cash Equivalents Closing Balance	10,49,54,625	(7,38,49,374)	10,63,02,411	
Cash and Cash Equivalents Opening Balance				

For and on behalf of the Board of Directors
Marathwada Refractories Limited

Sd/-
A. Anil Kumar
Director

Sd/-
Prakash G. Hegde
Director

Sd/-
K.S. Vasudeva Murthy
Director

Sd/-
H.S. Girish Gupta
Director

Place: Bangalore
Date: 10th May 2011

We have verified the above Cash Flow Statement of Marathwada Refractories Limited derived from the audited annual financial statements for the year ended 31st March 2011 and found the same to be drawn in accordance therewith and also with the requirements of clauses of the Listing Agreements with Stock Exchanges.

For Khandelwal Jain & Co.
Chartered Accountants

Sd/-
(G.M. Bothara)
Partner
Membership No. 16119
Firm Registration No.: 105049W

Place: Aurangabad
Date: 10th May 2011

MARATHWADA REFRACTORIES LIMITED

SCHEDULE - 10: NOTES FORMING PART OF ACCOUNTS:

Notes Annexed to and forming part of the Balance Sheet as at 31-03-2011 and Profit and Loss Account for the year ended on that date:

- Corresponding figures of the previous year have been regrouped to conform with this year's grouping wherever necessary.

2. **CONTINGENT LIABILITY NOT PROVIDED FOR IN RESPECT OF:**

Particulars	Current Year Rs.	Previous Year Rs.
Claims against the Company not acknowledged as debts - Kalpana Enterprises	50,580	50,580

3. The information pursuant to part II of Schedule VI

Particulars	Current Year (Rs.)	Previous Year (Rs.)
A. CLAUSE 4A	Nil	Nil
B. CLAUSE 4B		
PAYMENT TO AUDITORS		
a) Audit Fees	17,648	16,706
b) Tax audit fees	5,515	5,464
c) Taxation matters	11,030	11,088
d) Management services	3,309	2,865
C. CLAUSE 4C	Nil	Nil
D. CLAUSE 4D	Nil	Nil

As per our report of even date attached
For Khandelwal Jain & Co.
Chartered Accountants

Sd/-
(G.M. Bothara)
Partner
Membership No. 16119
Firm Registration No.: 105049W

for and on behalf of the Board of Directors
Marathwada Refractories Limited

Sd/-
A. Anil Kumar
Director

Sd/-
Prakash G. Hegde
Director

Sd/-
K.S. Vasudeva Murthy
Director

Sd/-
H.S. Girish Gupta
Director

Place: Aurangabad
Date: 10th May 2011

Place: Bangalore
Date: 10th May 2011

MARATHWADA REFRACTORIES LIMITED

SIGNIFICANT ACCOUNTING POLICIES:

- A) Accounting Convention:**
The financial statements are prepared under the historical cost convention on an accrual basis of accounting and in accordance with the standards on accounting issued by the Institute of Chartered Accountants of India and referred to in section 211 (3C) of the Companies Act, 1956.
- B) Fixed Assets:**
Fixed Assets are stated at historical cost. Historical cost is inclusive of pre-operative expenses, installation cost, duties and taxes and other incidental expenses incurred towards acquisition and installation of Fixed Assets reduced by CENVAT of excise duty available.
- C) Depreciation:**
- The Company follows the written down value method of depreciation.
 - The rates of depreciation charged on all fixed assets are in accordance with the notification dated 16th December, 1993 issued under Companies Act, 1956.
 - On assets sold, discarded etc. during the year depreciation is not provided during the year of sale/discarded
- D) Investments:**
Investments are stated at cost of acquisition
- E) Deferred Tax Liability:**
The Deferred tax charge or credit and the corresponding deferred tax liability or asset are recognised using the tax rates have been enacted or substantively enacted by the balance sheet date. The company recognized the deferred tax liability on date of balance sheet as per Accounting Standard 22 issued by the Institute of Chartered accountants of India.
As per Accounting Standard (AS) 22 being mandatory an amount of Rs. 2,008/- (Previous year 1,73,386/-) has been credited (Previous Year debited) to Profit and Loss Account as deferred tax liability.
- F) Contingencies and Events Occurring After the Date Of Balance Sheet:**
- Accounting for contingencies (gains and losses) arising out of contractual obligation are made only on the basis of mutual acceptance.
 - Material events occurring after the date of balance sheet are considered up to the date of adoption of the Accounts.
- G) Gratuity:**
Provision for gratuity is made on accrual basis for one employee presently working with the company.
- H) Leave Encashment:**
There is only one employee. As per terms of appointment there is no entitlement of Leave encashment.
- I) Other Accounting Policies:**
- These are consistent with the generally accepted accounting practices.
 - The outstanding balance of Debtors, Creditors, Deposits and advances are subject to confirmation.
 - In the opinion of the Board and to the best of their knowledge and belief the value on realisation on current assets, loans and advances in the ordinary course of business is not less than the amount at which they are stated in the Balance Sheet.

As per our report of even date attached

For Khandelwal Jain & Co.

Chartered Accountants

Sd/-

(G.M. Bothara)

Partner

Membership No. 16119

Firm Registration No.: 105049W

Place: Aurangabad

Date: 10th May 2011

for and on behalf of the Board of Directors
Marathwada Refractories Limited

Sd/-

A. Anil Kumar

Director

Sd/-

Prakash G. Hegde

Director

Sd/-

K.S. Vasudeva Murthy

Director

Sd/-

H.S. Girish Gupta

Director

Place: Bangalore

Date: 10th May 2011

MARATHWADA REFRACTORIES LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I) Registration Details

Registration No. 21846 State Code (Refer Code List) 0011

Balance Sheet 31 03 2011
 Date Month Year

II) Capital raised during the year (Amount in Rs. Thousand)

Public Issue	Right Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil

III) Position of Mobilization and Deployment of Funds
 (Amount in Rs. Thousand)

Total Liabilities 109602 Total Assets 109602

Sources of Funds

Paid up Capital	7000	Reserve & Surplus	102602
Secured Loan	Nil	Unsecured Loans	NIL
Deferred Tax Liabilities	Nil		

Application of Funds

Net Fixed Assets	17	Investments	21
Net Current Assets	109565	Misc. Exps.	Nil
Accumulated Losses	Nil		

IV) Performance of Company (Amount in Rs. Thousand)

Turnover	2286	Total Expenditure	1144
Profit before tax	1142	Profit after tax	1144
Earning per share in	Rs. 1.63	Dividend	Nil

V) Generic Names of three Principal Products/ Services of Company
 (as per monetary terms)

Item code No (ITC Code)	320201000
product Description	i) Magnesite Ramming Mass
Item Code No. (ITC Code)	320201008
Product Description	ii) Magnesia Carbon Bricks
Item Code No. (ITC Code)	320201008
Product Description	iii) Chemically Bonded Steel clad Bricks

for and on behalf of the Board of Directors
 Marathwada Refractories Limited

Sd/- A. Anil Kumar Director	Sd/- Prakash G. Hegde Director
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Sd/- K.S. Vasudeva Murthy Director	Sd/- H.S. Girish Gupta Director
--	---------------------------------------

Place: Bangalore
 Date: 10th May 2011

MARATHWADA REFRACTORIES LIMITED
F-4/1, Chikalthana, Industrial Area, MIDC, Aurangabad - 431 210

PROXY FORM

Folio No..... No. of shares

I/we of in the District of being member/members of the above company, hereby appoint Mr./Mrs..... of in the district of as my/ our proxy to vote for me/us on my/our behalf at the 32nd Annual General Meeting of the Company to be held on Monday the 26th September, 2011 at its Registered Office, F-4/1, Chikalthana Industrial Area, MIDC, Aurangabad-431210 at 11.00 AM and at any adjournment thereof.

Agenda Item No.	Vote* in favour	Vote* against
1		
2		
3		
4		
5		
6		

Affix
Revenue
Stamp

Signed thisday of.....2011 Signature.....

Note: * - Please tick (✓) in this column wherever applicable. This form should be signed across the stamp as per specimen signature with the Company. The proxy form must reach the Registered Office of the Company not less than 48 hours before the time fixed for holding the aforesaid meeting.

MARATHWADA REFRACTORIES LIMITED
F-4/1, Chikalthana, Industrial Area, MIDC, Aurangabad - 431 210

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Folio No..... # No. of shares.

Name of the Member
(in Block Letters)

Name of the Proxy
(If any)

I hereby record my presence at the 32nd Annual General Meeting of the Company on Monday the 26th September, 2011 at F-4/1, Chikalthana, Industrial Area, MIDC, Aurangabad - 431210 at 11.00 AM

.....
Signature of the Member/Proxy

ADMISSION SLIPS WITHOUT THIS INFORMATION WILL NOT BE ACCEPTED

Book Post

If undelivered, Please return to :
Marathwada Refractories Limited
41, Vittal Mallya Road,
Bangalore - 560 001