

Marathwada Refractories Limited

**28th
ANNUAL
REPORT**

2006 - 2007

MARATHWADA REFRACTORIES LIMITED

BOARD OF DIRECTORS

Shri V. D. Jhunjunwala, Managing Director
Shri. H. B. Belwal
Shri. Ashwani Bhatia

BANKERS

Union Bank of India, Aurangabad
HDFC Bank Ltd. Aurangabad
Union Bank of India, Delhi

AUDITORS

Khandelwal Jain & Co.
Chartered Accountants
Aurangabad.

Registered Office & Works

F- 4/1, Chikalthana,
M.I.D.C. Industrial Area,
Aurangabad - 431 210

MARATHWADA REFRACTORIES LIMITED

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

NOTICE

NOTICE is hereby given that the **Twenty Eighth Annual General Meeting** of the Company will be held at its Registered Office at F-4/1, Chikalthana Industrial Area, MIDC, Aurangabad - 431 210 on Friday, the 28th Day of September, 2007 at 11.30 A.M..to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the Profit and Loss Account for the year ended **31st March 2007**, the Balance Sheet as at that date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director, in place of **Shri Ashwani Bhatia** who retires at the forthcoming Annual General Meeting and being eligible offers himself for reappointment and to consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:
" RESOLVED that Shri Ashwani Bhatia be and is hereby appointed as a Director of the Company, liable to retire by rotation."
3. To appoint auditors and to fix their remuneration.

For **MARATHWADA REFRACTORIES LTD.**

Place : New Delhi
Dated : 18th May 2007

(H.B.Belwal)
Director

NOTES :

- a) 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 that 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.
- b) The Register of Members and share transfer books will remain closed from 17.09.2007 to 28.09.2007 (both days inclusive).
- c) The Members are requested to correspond with " M/s Intime Spectrum Registry Limited", A-31, 3rd Floor, Naraina Industrial Area, Near PVR Cinemas, New Delhi - 110 028, Registrar and Share Transfer Agent of the Company, to render services for share transfers in both physical and electronic segments and any other matter relating to their shares.
- d) Members are requested to notify immediately the change in their address, if any, to the Registrar and Share Transfer Agent / Registered Office or Head Office of the Company. Any communication with the Company will be greatly facilitated, if the Folio Number is quoted in all the correspondence.

MARATHWADA REFRACTORIES LIMITED

DIRECTORS' REPORT

To,
**The Members,
Marathwada Refractories Limited**

Your Directors have pleasure in presenting the **Twenty Eighth Annual Report** of your Company together with audited Accounts and Balance Sheet for the year ended 31st March, 2007.

1. Financial Results:

Particulars	Year ended 31.03.2007	Year ended 31.03.2006
Profit before Taxation	4243478	2142023
Add: Prior Period Item	29845	201689
Add/(Less) : Provison for Taxation		
Income Tax	(1385878)	(197223)
Deferred Tax Liability	(59533)	(272251)
Fringe Benefit Tax	(4054)	(15979)
Profit after taxation	2823858	1858259
Add: Profit brought forward	43511774	41653515
Balance carried to Balance Sheet	46335631	43511774

2. Operations:

During the year under consideration the company has recorded net sales (including scrap sales) of Rs. 22.42 lacs (Previous year 47.85 lacs).

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, hence not applicable.

B. Foreign Exchange Earning and Outgo:

There are no foreign exchange earnings or outgoes.

5. Fixed 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. Directors:

Mr. Ashwani Bhatia retires by rotation and is eligible for reappointment.

MARATHWADA REFRACTORIES LIMITED

8. 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.

9. Compliance Certificate

In terms of the proviso to Section 383A of the Companies Act, 1956, Compliance Certificate obtained from Shri B.D. Tapriya, a company Secretary in practice, for the year ended 31st March, 2007, is annexed.

10. 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 judgments 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 2007, 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.

11. Auditors :

M/s. Khandelwal Jain & Co., Chartered Accountants, retiring auditors, have advised that they are willing to be re-appointed as Auditors of the Company pursuant to section 224(1B) of the Companies Act, 1956. The board recommends their appointment. The observations of the Auditors in their report are self-explanatory.

12. 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 M.H.Dalmia, Shri M.H.Dalmia(HUF), Smt. Abha Dalmia, Mridu Hari Dalmia Parivar Trust, Shri Gaurav Dalmia, Gaurav Dalmia (HUF), Smt. Sharmila Dalmia, Sharmila Dalmia Parivar Trust, Km. Devanshi Dalmia, Km. Aanyapriya Dalmia, Mst. Aryaman Hari Dalmiya, Devanshi Trust, Aanyapriya Trust, Aryaman Hari Trust, Smt. Kanupriya Somany, Kanupriya Trust Two, Kanu Sharad Privar Trust, Kanu Sharad Family Trust, Raghu Hari Dalmia Parivar Trust, Shri R. H. Dalmia, Shri R. H. Dalmia (HUF), Smt. Padma Dalmia, Shripriya Dalmia Thirani, Smt. Anuradha Jatia, Km. Vrinda Dalmiya, Kabirdas Investments Ltd, Dalmia Agencies Pvt. Ltd., Konark Investments Ltd., Madhukar Investment Ltd., Swank Services Private Ltd., Hari Machines Ltd., National Synthetics Ltd., Dalmiya Group Udyog Ltd., Sunflower Mercantiles Ltd., Europa Commercial Ltd., First Capital India Ltd., Himalayan Natural Products Ltd., Satya Miners & Transporters Ltd., Swadha Investment Co. Ltd., Guha Mazumdar Housing Finance Co. Ltd., Eik River Ceramics Ltd; Epic Mercantiles Ltd; Lions Commercial Co. Ltd.

For and on behalf of the Board of Directors

V.D. Jhunjunwala
Managing Director

H.B. Belwal
Director

Place : New Delhi
Date : 18th May, 2007

MARATHWADA REFRACTORIES LIMITED

COMPLIANCE CERTIFICATE

Regn. No. 11-21846

To,
The Members,
Marathwada Refractories Limited
Aurangabad.

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 thereunder and also provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2007. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company and its officers, 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 thereunder and all entries therein have been duly recorded -
 - i) Register of Members u/s 150 & 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) Books of Accounts u/s 209:
 - iv) Register of Contracts in which Directors are interested u/s 301 :
 - v) Register of Directors u/s 303 :
 - vi) Register of Directors Shareholding U/s 307 :
 - vii) Minutes book of Meetings of Board of Directors and Shareholders :
 - viii) Register of investments u/s 372A :
2. The company has duly filed the forms and returns as stated under, with the Registrar of Companies:
 - i) Form No. 32 U/s 303(2)
 - ii) Form No. 23 U/s 192 :
 - iii) Annual Accounts U/s 220 :
 - iv) Compliance certificate U/s 383A :
 - v) Annual Return U/s 159 :
 - vii) Form No. DIN 3 :
3. The Company is a Public Limited Company and its paid-up capital is Rs.70 lacs. During the year the Company :-
 - a) has not invited to subscribe for its shares;
 - b) has not invited or accepted any deposits from public.

MARATHWADA REFRACTORIES LIMITED

4) The Board of Directors of the Company duly met on following dates :

Date of Meetings of Board

i) 28.04.2006

ii) 15.05.2006

iii) 27.07.2006

iv) 30.10.2006

v) 09.12.2006

vi) 18.01.2007

5. The Company closed its Register of Members from 16th September, 2006 to 27th September 2006 during the year.

6. The Annual General Meeting for the financial year ended on 31.3.2006 was held on 27th September 2006.

7. No extraordinary meeting was held during the 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 any contract 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.

13. The Company has :

i) Received shares for transfer/transmission during the year. The Company has delivered all the Certificates on the lodgment of Shares for transfer/transmission/consolidation/split of Shares as per record of RTA.

ii) Not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.

iii) Not posted warrants to any member of the Company as no dividend was declared during the financial year.

iv) 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.

v) 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 during the financial year.

16. No sale selling agent has been appointed during the year.

MARATHWADA REFRACTORIES LIMITED

17. The Company was not required to obtain any approval from Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under various provisions of the Act.
18. The Directors duly disclosed their interest in other firm/companies in the last month of the financial year 2006-07 and that is duly recorded in the register kept for that purpose.
19. The Company has not issued any shares during the financial year.
20. The Company has not bought back any shares during the financial year.
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 and 58AA read with the Companies (Acceptance of Deposit) Rules, 1975/the applicable directions issued by the Reserve Bank of India/any other authority.
24. The amount borrowed by the Company from Directors, member, Public Financial institutions, banks and others during the financial year ending 31st March, 2007 are within the borrowing limits of the Company.
25. The Company has made loan to other bodies corporate during the financial year in compliance of the Act.
26. The Company has not altered the provision of Memorandum with respect to 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 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 duly constituted as per applicability with prescribed authorities pursuant to Section 418 of the Act..

Place : New Delhi
Date : 18th May, 2007

(B. D. Tapriya)
C. P. No. 2059

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, 2007** 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, 2007**.
 - ii. in the case of Profit & 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.

Place : Aurangabad
Date : 18th May, 2007

For Khandelwal Jain & Co.
Chartered Accountants

(G. M. Bothara, Partner)
Membership No. 16119

MARATHWADA REFRACTORIES LIMITED

ANNEXURE TO AUDITORS' REPORT

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

- i) (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.
- ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management.
- (b) In our opinion the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion, the company is maintaining proper records of inventory and material discrepancies noticed on physical verifications have been properly dealt with in the books of accounts.
- iii) (a) According to the information and explanations given to us, during the year company has granted inter-corporate loan of Rs.45.50 Lacs to a company listed in the register maintained under Section 301 of the Companies Act, 1956.
- (b) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the company.
- (c) The party has been regular in payment of the interest to the company.
- (d) There is no over due amount in respect of loans granted to the company listed in the register maintained under Section 301 of the Companies Act, 1956. The entire amount of loan is repaid by the company listed in the registers maintained under Section 301 of the Companies Act, 1956.
- (e) The company had not taken loan from companies 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 and adequate internal control procedure, commensurate with the size of the Company and the nature of its business, for the purchase of inventory and sale of fixed assets and goods.
- v) (a) According to the information and explanations given to us, the transactions that need to be entered into a register maintained in pursuance of section 301 of the Companies Act, have been so entered.
- (b) As explained to us, each of these transactions have 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.

MARATHWADA REFRACTORIES LIMITED

- vii) In our opinion the company has an adequate internal audit system commensurate with the size and nature of its business.
- viii) The company has discontinued its manufacturing activity so the question of maintaining cost record is not arisen as prescribed under section 209 (1) (d) of the Companies Act, 1956.
- ix) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, cess and any other statutory dues with appropriate authorities.
- x) The company has no accumulated losses.
- xi) The company has no outstanding balance of loans payable to financial institution or Banks or Debenture holders.
- xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of paragraph 4 (xii) of the Order are not applicable to the Company.
- xiii) The provisions of any special statute applicable to chit fund are not applicable to the company.
- 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.
- xv) During the year the company has not availed any term loans.
- xvii) During the year the company has not used the funds raised on short-term basis for long terms investment and vice versa.
- xviii) During the year the company has not made any preferential allotments of shares.
- xix) During the year the company has not issued debentures and not created any securities in respect of debentures.
- xx) During the year the company has not raised money by public issues.
- xxi) During the year the company has no notice or no reported case of any fraud on or by the company.

Place : Aurangabad
Date : 18th May, 2007

For Khandelwal Jain & Co.
Chartered Accountants

(G. M. Bothara)
Partner
Membership No. 16119

MARATHWADA REFRACTORIES LIMITED

BALANCE SHEET AS AT 31ST MARCH 2007

Particulars	Sch.	As on 31/03/2007 Rs.	As on 31/03/2006 Rs.
1. SOURCES OF FUNDS			
1. Shareholder's Funds :			
a) Capital	1	7000000	7000000
b) Reserves & Surplus	2	52359443	49535585
2. Loan Funds			
Unsecured Loans	3	0	15107
3. Deferred Tax Liability (Net)		130545	71012
		59489988	56621704
II. APPLICATION OF FUNDS :			
1. Fixed Assets			
a) Gross Block	4	9341339	9924748
b) Less : Depreciation		7947056	8001257
c) Net Block		1394283	1923491
2. Investment	5	21269	21269
3. Current Assets, Loans and Advances :	6		
a) Inventories		0	545431
b) Sundry Debtors		914519	1827710
c) Cash and Bank Balances		57118345	1017708
d) Loans and Advances		735900	52302470
		58768764	55693319
Less : Current Liabilities & Provisions	7		
a) Current Liabilities		506578	973507
b) Provisions		187751	42867
		694328	1016374
Net Current Assets		58074436	54676944
		59489988	56621704
Notes Forming Part of accounts	12		

As per our Report of even date attached .

For Khandelwal Jain & Co.
Chartered Accountants

For and on behalf of the Board of Directors

(G. M. Bothara)
Partner

(H. B. Belwal)
Director

(V.D. JHUNJHUNWALA)
MANAGING DIRECTOR

Membership No. 16119

Place : Aurangabad
Date : 18th May, 2007

Place : New Delhi
Date : 17th May 2007

MARATHWADA REFRACTORIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007

Particulars	Sch.	As on 31/03/2007 Rs.	As on 31/03/2006 Rs.
INCOME			
Gross Sales	8	2388882	4889544
Less : Excise Duty		147254	104850
Net Sales		2241628	4784694
Interest (Gross)		4386877	4073257
(TDS Rs. 9,86,413, Previous Year 8,77,169/-)			
Dividend (Gross)		195	195
Increase/(Decrease) in stock of finished goods &WIP	9	(545431)	(2463330)
Other Income	10	1782841	1557239
Profit on Sale of Assets		276588	0
		8142698	7952055
EXPENDITURE			
Purchases		1209501	3906518
Decrease in Stock of Raw Material		0	31078
Mfg. & Other Exp.	11	2316292	1655762
Depreciation	4	173427	216674
Loss on sale of shares		200000	0
		3899220	5810032
Profit /Loss before Taxation		4243478	2142023
Add : Prior Period Item		29845	201689
Add/(Less) : Provision for Taxation			
Income Tax		(1385878)	(197223)
Deferred Tax Liability		(59533)	(272251)
Finge Benefit Tax		(4054)	(15979)
Profit / Loss after taxation		2823858	1858259
Add : Profit brought forward		43511774	41653515
Balance carried to Balance Sheet		46335631	43511774
		4.03	2.65
Notes Forming Part of accounts	12		

As per our Report of even date attached

For Khandelwal Jain & Co.
Chartered Accountants

For and on behalf of the Board of Directors

(G. M. Bothara)
Partner

(H. B. Belwal)
Director

(V.D. JHUNJHUNWALA)
MANAGING DIRECTOR

Membership No. 16119

Place : Aurangabad
Date : 17th May 2007

Place : New Delhi
Date : 17th May 2007

MARATHWADA REFRACTORIES LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET

Particulars	As at 31/03/2007 Rs.	As at 31/03/2006 Rs.
<u>SCHEDULE - 1 : SHARE CAPITAL</u>		
Authorised		
850000 Equity Shares Rs. 10/- each	8500000	8500000
15,000 11% Redeemable Cumulative Preference Share of Rs. 100/- each	1500000	1500000
	10000000	10000000
Issued, Subscribed & Paid-up		
700000 equity shares of Rs. 10 each	7000000	7000000
	7000000	7000000
<u>SCHEDULE - 2 : RESERVES & SURPLUS :</u>		
15% Central Investment Subsidy	1500000	1500000
Investment Allowance Utilised	1523812	1523812
Capital Redemption Reserve	1000000	1000000
General Reserve	2000000	2000000
Profit & Loss A/c	46335631	43511773
	52359443	49535585
<u>SCHEDULE - 3 : UNSECURED LOANS :</u>		
Short Term Loan from Directors	0	15107
	0	15107

SCHEDULE FORMING PART OF BALANCE SHEET

SCHEDULE NO. 4 : FIXED ASSETS

GROSS BLOCK				DEPRECIATION			NET BLOCK			
	As on 31/3/2006	Addition during the year	Sales / transfer during the year	As on 31/3/2006	Upto 31/03/2006	Sales transfer	For the year	As on 31/3/2007	As on 31/3/2007	As on 31/3/2006
Land (Leasehold)	1118080	0	0	111880	1010240	0	10724	1021024	97056	107840
Building	6600576	0	571040	6029531	4912548	227628	132905	4817825	1211706	1688028
Plant and Machinery	1614004	0	0	1614004	1528463	0	24121	1552584	61420	85541
Fixture	574724	0	0	574724	547752	0	4906	552658	22066	26972
Vehicle	5000	0	0	5000	2254	0	711	2965	2035	2746
Scrap	12370	0	12370	0	0	0	0	0	0	12370
Total	9924754	0	583410	9341339	8001257	227628	173427	7947056	1394283	1923497
Previous Year	9896568	28186	0	9924748	7784583	0	216674	8001257	1923497	2140171

13

MARATHWADA REFRACTORIES LIMITED

MARATHWADA REFRACTORIES LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET

Particulars	As on 31/03/2007 Rs.	As on 31/03/2006 Rs.
SCHEDULE - 5: INVESTMENTS (At Cost)		
Face Value		
QUOTED:		
1000 Equity Shares of 10/- each of M/s Anil Chemicals and Industries Ltd.	10000	
	20000	20000
50 Equity Shares of 10/- each of M/s. Raasi Refractories	500	
	469	469
50 Equity Shares of 10/- each of M/s. Nippon Denro Ispat Ltd.	500	
	300	300
UNQUOTED :-		
NSC-CIDCO Post Office	500	500
Market Value of Quoted Investments Rs. 1,667/- Previous Year 33,825/- * Trading Suspended	21269	21269
SCHEDULE - 6 : CURRENT ASSETS, LOANS AND ADVANCES		
a) Inventories (As taken valued and Certified by Managing Director)		
Work-in-Progress	0	91708
Work-in-Progress MGC	0	451623
Finished Goods	0	2100
	0	545431
b) Sundry Debtors (Unsecured, Considered Goods) Outstanding for period exceeding 6 Months		
	914591	1827710
	914591	1827710
c) Cash and Bank Balance		
Cash on Hand	19991	24390
Balances with Scheduled Banks -in Current Account	57098354	993318
	57118345	1017708

MARATHWADA REFRACTORIES LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET

Particulars	As on 31/03/2007 Rs.	As on 31/03/2006 Rs.
d) Loans And Advances		
Advance to Staff and other receivables (Considered Good)	14380	7997
Balance with Central Excise	5424	5424
Deposits	28010	28010
Loans to Corporate Bodies : OCL India Ltd.	0	51500000
Refund due - FBT (A.Y. 07-08)	8140	0
Income Tax Refund Due (A.Y. 2006-07)	679946	679946
Advances recoverable in cash or in kind value to be received considered good	0	81093
	735900	52302470

SCHEDULE - 7 : CURRENT LIABILITIES & PROVISIONS

A) Current Liabilities :

I) Sundry Creditors :

a) SSI Undertaking

0

0

b) Other than SSI Undertaking

0

103491

0

103491

II) Other Liabilities

503720

858377

III) Statutories Liabilities

2858

11639

506578

973507

B) Provisions :

a) Provision for Gratuity

33482

26888

b) Fringe Benefit Tax Payable

0

15979

c) Provision for Income Tax

1385878

0

Less : TDS on Interest

986413

0

Less : Advance Tax

245196

154269

0

187751

42867

MARATHWADA REFRACTORIES LIMITED

SCHEDULE FORMING PROFIT & LOSS ACCOUNT

Particulars	Year ended 31/03/2007 Rs.	Year ended 31/03/2006 Rs.
SCHEDULE - 8		
Sales (Gross)		
1 Bricks Aurangabad	65249	602766
2. MGC Material	0	156848
3. Other Misc. Sales	0	4800
4. MRM Trading Sales	1286696	4125130
5. Scrap Sales	1036937	0
Gross Sales	2388882	4889544
Less : Excise Duty	147254	104850
Net Sales	2241628	4784694
SCHEDULE - 9		
Increase / (decrease) in stock of finished goods & WIP		
Closing Stock :		
1. Bricks	0	0
2. WIP MRM	0	91708
3. Steel Clad	0	0
4. MGC	0	2100
5. WIP MGC	0	451623
	0	545431
Less : Opening Stock :		
1. MRM	0	0
2. Bricks	0	204901
3. WIP MRM	91708	744177
4. Steel Clad	0	9344
5. MGC	2100	240675
6. WIP MGC	451623	1845801
	545431	3044898
7. Less : Excise Duty on Opening Stock		36137
	(545431)	(2463330)
SCHEDULE - 10		
Other Income :		
House Rent from Others	1400	2100
Weigh Bridge Receipts	152100	21060
Excess provision written Back	30575	44404
Other Misc. Receipts	35668	48375
Bad Debt written Back	317444	0
Interest from Other	102594	0
Refund of Anti Dumping Duty	1143060	0
Provision Written Back Anti Dumping Duty	0	1441300
	1782841	1557239

MARATHWADA REFRACTORIES LIMITED

SCHEDULE FORMING PROFIT & LOSS ACCOUNT

Particulars	Year ended 31/03/2007 Rs.	Year ended 31/03/2006 Rs.
SCHEDULE - 11		
<u>MANUFACTURING & OTHER EXPENSES</u>		
Salaries & Wages		
Salaries, Wages and Bonus	199605	176880
Workmen and Staff welfare expenses	5000	29350
Contribution to ESI, PF, etc	20170	17010
Gratuity	6594	7380
Repairs & Maintenance		
Building	27000	20250
Plant & Machinery	288305	10216
Other	4962	3399
Rates and Taxes		
<u>Interest on Borrowing</u>		
Managing Director	0	21055
Office expenses	43950	44771
Printing & Stationery	33975	18993
Travelling expenses	34308	43175
Audit Fees	20883	25680
Advertisement & Publicity	28177	27688
Telephone & Telex	43309	58417
Postage & Telegram	15505	19973
Legal Expenses	31727	39276
Professional Charges	163156	116085
General Expenses	35263	38450
Security Expenses	289528	302918
Director Travelling Expenses	33320	122876
Packing Expenses	0	179190
Sales Commission	10800	21200
Sales Tax	694835	0
Bad Debts	89696	162416
Miscellaneous Expenses	79048	95785
	2316292	1655762

SCHEDULE - 12 NOTES FORMING PART OF ACCOUNTS :

Notes Annexed to and forming part of the Balance Sheet as at 31.03.2007 and Profit and Loss Account for the year ended on that date :

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

MARATHWADA REFRACTORIES LIMITED

2. TURNOVERS AND STOCK

This Year	Mangnesite Ramming Mass	MRM Trading	Bricks	MGC Bricks
A. Turn Over				
M. T.	(Nil)	(119.00)	00.14	(Nil)
	(Nil)	(357.00)	(15.90)	(Nil)
Value Rs. Lacs	Nil	12.87	0.65	Nil
	(Nil)	(41.84)	(4.71)	(Nil)
B. Opening Stock				
M. T.	Nil	Nil	00.14	Nil
	(Nil)	(Nil)	(16.04)	(74.05)
Value Rs.	Nil	Nil	0.02	Nil
	(Nil)	(Nil)	(0.2.40)	(18.46)
C. Closing Stock Value Rs.				
M. T.	Nil	Nil	Nil	Nil
	(Nil)	(Nil)	(0.14)	(nil)
Value Rs.	Nil	Nil	Nil	Nil
	(Nil)	(Nil)	(0.02)	(Nil)

3. CONTINGENT LIABILITY NOT PROVIDED FOR IN RESPECT OF :

	Current Year Rs.	Previous Year Rs.
a) Claim against the Company not acknowledged as debts - Kalpana Enterprises	50580	50580
b) Claims against the company by Sales Tax Dept. Not acknowledge as debts	9853171	Nil

4. MANAGERIAL REMUNERATION

i) Remuneration	Nil	Nil
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MARATHWADA REFRACTORIES LIMITED

E. THE INFORMATION PURSUANT TO PART III OF SCHEDULE IV

	Current Year Rs.	Previous Year Rs.
A. CLAUSE 4A	Nil	Nil
B. CLAUSE 4B PAYMENT TO AUDITORS		
a) Audit Fees	22448	17632
b) Tax Audit Fees	5612	5250
c) Taxation matters	4490	2100
d) Management service	11224	1050
e) Sales tax/VAT audit	28060	3150
C. CLAUSE 4C QUANTITATIVE ANALYSIS OF SALES TURNOVER Not applicable since manufacturing activity is suspended		
D. CLAUSE 4D		
a) Value of imports by the company during the financial year in respect of :	NIL	NIL
b) Expenditure in foreign Currency	NIL	NIL
c) Value of raw materials and spare parts consumed in percentage not applicable since manufacturing activity is suspended.	NIL	NIL
i) Remittance in Foreign Currency	NIL	NIL
ii) Earning in Foreign Exchange	NIL	NIL
E. Additional information with regards to Unsecured Loans taken/given : (Figures in the bracket indicate maximum amount outstanding during the year)		
i) Debt due to Director	NIL	15107
Mr. V. D. Jhunjhunwala (HUF)	(15107)	(658874)
ii) Debts due from Body Corporate in which Director is interested	NIL	51500000
OCL India Limited.	(51500000)	(51500000)

As per our Report of even date attached

For Khandelwal Jain & Co.
Chartered Accountants

For and on behalf of the Board of Directors

(G. M. Bothara)
Partner

Membership No. 16119

(H. B. Belwal)
Director

(V.D. JHUNJHUNWALA)
MANAGING DIRECTOR

Place : Aurangabad
Date : 18th May 2007

Place : New Delhi
Date : 17th May 2007

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 :

- i) The Company follows the written down value method of depreciation.
- ii) The rates of depreciation charged on all fixed assets are in accordance with the notification dated 16th December, 1993 issued under Companies Act, 1956.
- iii) On assets sold, discarded etc. during the year depreciation is not provided during the year of sale/discarded.
- iv) Premium paid for Leasehold land is written off by way of depreciation along with building constructed thereon considering the life of building as basis of depreciation.
- v) Due to discontinuation of manufacturing activity carried out at plot No. F/4/1 depreciation has been charged on only pertaining to the asset in use.

D) Investments :

Investments are stated at cost of acquisition

E) Inventories :

- i) At the year end there is no inventory of Stores and packing material, WIP.
- ii) Loss ascertained at the time of physical verification of inventory of WIP has been accounted for.

F) 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. 59533/- (Previous year Rs.272251/-) has been debited to profit and Loss Account as deferred tax liability.

G) Sales Turnover :

Sales turnover includes excise duty and sales tax.

MARATHWADA REFRACTORIES LIMITED

H) Accounting of Modvat Credit :

- i) Liability for excise duty in respect of goods manufactured but not cleared from the factory is accounted only at the time of removal of goods from the place of manufacture for sale. Amount of Modvat availed on purchases of certain raw materials and other inputs is accounted for in separate account and is adjusted against excise duty payable on sale of finished goods.
- ii) Excise duty paid on Capital Goods and available as modvat credit is reduced from the cost of assets.

I) Contingencies And Events Occurring After The Date of Balance Sheet :

- i) Accounting for contingencies (gains and losses) arising out of contractual obligation are made only on the basis of mutual acceptance.
- ii) Material events occurring after the date of balance sheet are considered upto the date of adoption of the Accounts.

J) Gratuity :

Provision for gratuity is made on accrual basis for two employees presently working with the company.

K) Leave Encashment :

Leave encashment is determined on the basis of leave rules of the company & accounted on payment basis.

L) Other Accounting Policies :

- i) These are consistent with the generally accepted accounting practices.
- ii) The outstanding balance of Debtors, Creditors, Deposits and advances are subject to confirmation.
- iii) 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

For and on behalf of the Board of Directors

(G. M. Bothara)
Partner

Membership No. 16119

(H. B. Belwal)
Director

(V.D. JHUNJHUNWALA)
MANAGING DIRECTOR

Place : Aurangabad
Date : 18th May 2007

Place : New Delhi
Date : 17th May 2007

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	2007
		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	59490	Total Assets	59490
	<u>Sources of Funds</u>			
	Paid up Capital	07000	Reserve & Surplus	52359
	Secured Loan	Nil	Unsecured Loans	Nil
	Deferred Tax Liabilities	131		
	<u>Application of Funds</u>			
	Net Fixed Assets	01394	Investments	00021
	Net Current Assets	58075	Misc. Exps.	Nil
	Accumulated Losses	Nil		
IV)	Performance of Company (Amount in Rs. Thousand)			
	Turnover	08143	Total Expenditure	03899
	Profit before Tax	04273	Profit After Tax	02824
	Earning per share in Rs.	04.03	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 Marathwada Refractories Limited

Place : New Delhi
Date : 17th May 2007

(V.D. JHUNJHUNWALA)
Managing Director

(H. B. Belwal)
Director

MARATHWADA REFRACTORIES LIMITED

CASH FLOW FOR THE YEAR ENDED 31 ST MARCH, 2007

Particulars		As at 31/03/2007 Rs.	As at 31/03/2006 Rs.	
Net Profit / Loss before Taxes		4273323		2343712
Add : Depreciation	173427		216674	
Interest Charged	0		21055	
Loss on sales of Share	200000		0	
Inventories Written off	545431		0	
Provision for Taxation	0		213202	
Deferred Tax Liability	0	918858	272251	723182
Less : Dividend on Investment	195		195	
Interest Earned	4386877		4073257	
Surplus from Sale of fixed assets	276588		0	
Provisions no more required written up	0		1485704	
Investment written off in the Books	0		2500	
		4663660		5561656
Operating Profit / (Loss)		528521		(2494761)
A. ADJUSTMENTS FOR WORKING CAPITAL CHANGES				
Increase / (Decrease) in Inventories	0		(2530545)	
Increase / (Decrease) in Trade and Other receivable	(913191)		(625486)	
Increase / (Decrease) loan & Advances	(51574709)		52153021	
Increase / (Decrease) in Deferred Tax Asset	0		(201240)	
Decrease / (Increase) in Trade Paybles	466930		2151627	
Decrease / (Increase) in Gratuity	(6594)	(52027564)	(7380)	50939996
Cash generated from operation		52556085		(53434757)
Add : Interest	4386877		4052202	
Less : Tax Paid	(1259782)	3127095		4052202
Net Cash (Utilised)/Generated in Operating Activities		55683180		(49382555)

MARATHWADA REFRACTORIES LIMITED

CASH FLOW FOR THE YEAR ENDED 31 ST MARCH, 2007

Particulars	As at 31/03/2007 Rs.	As at 31/03/2006 Rs.	
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
Sale of Fixed Assets	632370	0	
Loss on sales of Shares	(200000)	(28184)	
Investment written off in the Books	0	2500	
Dividend of Investment	195	195	(25489)
Net Cash Generated from Investing Activities	432565		(25489)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Increase / (Decrease) in Unsecured Loans	(15107)	(643766)	
Increase / (Decrease) in Capital Incentives	0	0	
Cash used for financing activities	(15107)		(643766)
Net Change in Cash and Cash Equivalents			(50051811)
Cash and Cash Equivalents Closing Balance	57118345	1017708	
Cash and Cash Equivalents Opening Balance	1017708	56100637	(50051811)

For Marathwada Refractories Limited

Place : New Delhi
Date : 17th May 2007

(V.D. JHUNJHUNWALA)
Managing Director

We have Verified the above Cash Flow Statement of Marathwada Refractories Ltd. dreived from the audited annual financial statement for the year ended 31st March, 2007 and found the same to be drawn in accordance therewith and also with the requirements of clause of the listing agreements with Stock exchange.

For Khandelwal Jain & Co.
Chartered Accountants

(G. M. Bothara)
Partner

Membership No. 16119

Place : Aurangabad
Date : 18th May 2007

MARATHWADA REFRACTORIES LIMITED

Regd. Office : F- 4/1, Chikalhana Industrial Area,
MIDC, Aurangabad - 431 210

PROXY FORM ANNUAL GENERAL MEETING

I/We of in the district of
..... being a member/members of MARATHWADA REFRACTORIES
LIMITED hereby appoint of In the district of
..... or failing him of as my/our proxy to attend
and vote for me/us on my /our behalf at the Twenty Eighth Annual General Meeting of the
Company to be held on at A.M. and adjournment thereof.

Signed this day of 2007

Folio No. Signature

Name and address

Affix One
Rupees
Revenue
Stamp

Note : The Proxy form duly signed across a revenue stamp of one Rupees should reach
the company's Registered Office **NOT LESS THAN 48 HOURS** before the time for holding
the meeting.

MARATHWADA REFRACTORIES LIMITED
Regd. Office : F- 4/1, Chikalhana Industrial Area,
MIDC, Aurangabad - 431 210

ATTENDANCE SLIP

I hereby record my presence at the Twenty Eighth Annual General Meeting of the Company
at F-4/1, Chikalhana Industrial Area, M.I.D.C. Aurangabad - 431 210 on

Full Name of Shareholders Signature

Folio No.

Full Name of Proxy Signature

Note : 1. Shareholders attending the meeting in person or by proxy are requested to
complete the attendance slip and hand it over at the entrance of the meeting hall.

2. Members are requested to bring their copies of the Annual Report to meeting.

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