

Marathwada Refractories Limited

**29th
ANNUAL
REPORT**

2007 - 2008

MARATHWADA REFRACTORIES LIMITED

BOARD OF DIRECTORS

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

BANKERS

Union Bank of India, Aurangabad
Union Bank of India, Delhi

AUDITORS

Khandelwal Jain & Co.
Chartered Accounts Aurangabad.

Registered Office & Works

F-4/1, Chikalthana,
M.I.D.C. Industrial Area,
Aurangabad-431210

MARATHWADA REFRACTORIES LIMITED

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

NOTICE

NOTICE is hereby given that the Twenty Ninth 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 Monday, the 29th day of September, 2008 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 2008**, 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 H. B. Belwal** 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 H. B. Belwal 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 LIMITED**

Place: New Delhi
Dated: 15, May 2008

(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 16.09.2008 to 29.09.2008 (both days inclusive).
- c) The shares of the Company are registered in electronic form with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) under the ISIN-INE347D01011. The Members are requested to correspond with "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, 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 Ninth Annual Report** of your Company together with audited Accounts and Balance Sheet for the year ended 31st March, 2008.

1. Financial Results:

Particulars	Year ended 31.03.2008	Year ended 31.03.2007
Profit before Taxation	49476349	4243478
Add: Prior Period Item	(3500)	29845
Add/(Less): Provision for Taxation		
Income-tax for earlier year	(254435)	—
Income-tax	(10625701)	(1385878)
Deferred Tax Liability	(21271)	(59533)
Fringe Benefit Tax	(4973)	(4054)
Profit after taxation	38566469	2823858
Add: Profit brought forward	46335631	43511774
Balance carried to Balance Sheet	84902100	46335631

2. Operations:

Sales

During the year under consideration the company has recorded net sales (Including scrap sales) of Rs. 1.63 lacs (Previous year 22.42 lacs).

Assignment of Leasehold Rights:

During the year, the leasehold rights for the land situated at F-4/1, MIDC, Chikalthana, Aurangabad, admeasuring 84116 sq. mtrs, were assigned to Goldendreams Technopark Pvt. Ltd. vide agreement dated 19.12.2007, for a consideration of Rs. 4.50 crores. Possession of the property has been handed over to the buyer on 29.02.2008. Pending certain formalities, conveyance in favour of the buyer is still pending in respect of the said property.

3. Dividend:

Your Directors have decided not to recommend dividend on shares.

MARATHWADA REFRACTORIES LIMITED

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. **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. **Directors:**

Mr. H. B. Belwal retires by rotation and is eligible for reappointment.
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, 2008, is annexed.
10. **Registered office of the Company**

The Company had submitted a petition before the Company Law Board, Mumbai Bench seeking approval to shift Registered Office from the State of Maharashtra to the State of Orissa.
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 2008, 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.

MARATHWADA REFRACTORIES LIMITED

12. 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.

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 M.H. Dalmia, Shri M.H. Dalmia (HUF), Smt. Abha Dalmia, Mridu Hari Dalmia Parivar Trust, Shri Gaurav Dalmia, Shri Gaurav Dalmia (HUF), Smt. Sharmila Dalmia, Sharmila Dalmia Parivar Trust, Km. Devanshi Dalmia, Km. Aanyapriya Dalmia, Mst. Aryaman Hari Dalmia, Devanshi Trust, Aanyapriya Trust, Aryaman Hari Trust, Smt. Kanupriya Somany, Kanupriya Trust Two, Kanupriya Parivar Trust, Kanu Sharad Parivar Trust, Kanu Sharad Family Trust, Shri R.H. Dalmia, Shri R.H. Dalmia (HUF), Smt. Padma Dalmia, Raghu Hari Dalmia Parivar Trust, Smt. Shripriya Dalmia Thirani, Smt. Anuradha Jatia, Anuradha Dalmia Trust, Km. Vrinda Dalmia.

Konark Investments Ltd., Madhukar Investments Ltd, Europa Commercial & Trades Ltd., Sunflower Mercantiles Ltd., Dalmia Group Udyog Ltd., Swank Services Pvt. Ltd., National Synthetics Ltd., First Capital India Ltd., Landmark Property Development Company Ltd., Kabirdas Investments Ltd., Dalmia Agencies Pvt. Ltd., Satya Miners & Transporters Ltd., Himalayan Natural Products Ltd., OCL Iron & Steel Ltd., Lions Commercial Co. Ltd., Hari Machines Ltd."

For and on behalf of the Board of Directors

V. D. Jhunjunwala
Managing Director

H. B. Belwal
Director

Place: New Delhi
Date : 15 May, 2008

MARATHWADA REFRACTORIES LIMITED

B.D. TAPRIYA
LL.B., FCS,
Company Secretary

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 thereunder and also provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2008. 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
 - ix) 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) Annual Accounts u/s 220;
 - ii) Compliance Certificate u/s 383A;
 - iii) Annual Return u/s 159.
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 subscribed 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/Committee

- i) 17.05.2007
- ii) 27.07.2007
- iii) 12.09.2007
- iv) 24.10.2007
- v) 10.01.2008
- vi) 25.01.2008
- vii) 17.03.2008

- 5. The Company closed its Register of Members from 17th September, 2007 to 28th September, 2007 during the year.
- 6. The Annual General Meeting for the financial year ended on 31.3.2007 was held on 28th September, 2007.
- 7. An extraordinary meeting was held on 5th February, 2008, in order to seek members approval for shifting of Registered Office of the Company from the State of Maharashtra to the State of Orissa.
- 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.

MARATHWADA REFRACTORIES LIMITED

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 sole selling agent has been appointed during the year.
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 except in respect of item 7 hereinabove for which petition is pending before CLB.
18. The Directors duly disclosed their interest in other firm/companies in the last month of the financial year 2007-08 except in case of one Director 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, members, Public Financial institutions, banks and others during the financial year ending 31st March, 2008 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 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 duly constituted as per applicability with prescribed authorities pursuant to Section 418 of the Act.

Place : Delhi
Date : 7 May, 2008

Name : 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, 2008** 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, 2008;
 - 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.

Place : Mumbai.
Date : 15 May, 2008

For Khandelwal Jain & Co.
Chartered Accountants

G.M.Bothara, Partner
Membership No. 16119

MARATHWADA REFRACTORIES LIMITED

ANNEXURE TO AUDITORS' REPORT

Annexure to Auditors' 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.
- (c) Most of the fixed assets not utilized in business activity has been disposed off during the year.
- ii) The company does not have any inventory for the year ended 31.03.2008 accordingly, the provisions of paragraph 4(ii) (a to c) of the order are not applicable.
- iii) (a) According to the information and explanations given to us, during the year company has granted unsecured inter-corporate loan to a company wherein one of the directors of the company is director of such company.
- (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 an 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 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.

MARATHWADA REFRACTORIES LIMITED

- 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) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) 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 term investment.
- 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 : Mumbai.
Date : 15 May, 2008

For Khandelwal Jain & Co.
Chartered Accountants

G.M.Bothara, Partner
Membership No. 16119

MARATHWADA REFRACTORIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2008

Particulars	Schedule	As on 31.03.2008 Rs.	As on 31.03.2007 Rs.
I. SOURCES OF FUNDS			
1. Shareholders' Funds:			
a) Capital	1	7000000	7000000
b) Reserves & Surplus	2	90925913	52359443
2. Loan Funds			
Unsecured Loans	3	1500	-
3. Deferred Tax Liability (Net)		151816	130545
		<u>98079229</u>	<u>59489988</u>
II. APPLICATION OF FUNDS:			
1. Fixed Assets			
a) Gross Block	4	1703164	9341339
b) Less: Depreciation		1638633	7947056
c) Net Block		64531	1394283
2. Investments	5	16069524	21269
3. Current Assets, Loans & Advances	6		
a) Sundry Debtors		851478	914519
b) Cash and Bank Balances		1056744	57118345
c) Loans and Advances		80118564	735900
d) Other Current Assets		366147	-
		<u>82392933</u>	<u>58768764</u>
Less: Current Liabilities & Provisions	7		
a) Current Liabilities		183155	506578
b) Provisions		264603	187751
		<u>447758</u>	<u>694328</u>
Net Current Assets		<u>81945175</u>	<u>58074436</u>
		<u>98079229</u>	<u>59489988</u>
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. Jhunjunwala
Managing Director

Membership No. 16119

Place: Mumbai
Date: 15 May, 2008

Place: New Delhi
Date: 15 May, 2008

MARATHWADA REFRACTORIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

Particulars	Schedule	As on 31.03.2008 Rs.	As on 31.03.2007 Rs.
INCOME			
Gross Sales	8	162716	2388882
Less: Excise Duty		-	147254
Net Sales		<u>162716</u>	<u>2241628</u>
Interest (Gross) (TDS Rs. 13,52,181/-, Previous year 9,86,413/-)		5959204	4386877
Dividend (Gross)		77649	195
Increase/(Decrease) in stock of finished goods & WIP	9	-	(545431)
Other Income	10	819207	1782841
Profit on Sale of Assets		44049633	276588
		<u><u>51068410</u></u>	<u><u>8142698</u></u>
EXPENDITURE			
Purchases		-	1209501
Mfg. & Other Exp.	11	1212667	2316292
Depreciation	4	17263	173427
Loss on sale of Assets		362130	-
Loss on sale of shares		-	200000
		<u><u>1592061</u></u>	<u><u>3899220</u></u>
Profit/Loss before Taxation		49476349	4243478
Add/(Less): Prior Period Item		(3500)	29845
<u>Add/(Less): Provision for Taxation</u>			
Income-tax for earlier year		(254435)	-
Income-tax		(10625701)	(1385878)
Deferred Tax Liability		(21271)	(59533)
Fringe Benefit Tax		(4973)	(4054)
Profit/Loss after taxation		<u>38566470</u>	<u>2823858</u>
Add: Profit brought forward		46335631	43511774
Balance carried to Balance Sheet		84902102	46335631
Basic & Diluted Earning per share		55.09	4.03
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: Mumbai
Date: 15 May, 2008

Place: New Delhi
Date: 15 May, 2008

MARATHWADA REFRACTORIES LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET

Particulars	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
<u>SCHEDULE - 1: SHARE CAPITAL:</u>		
Authorised 850000 Equity Shares of Rs. 10/- each	8500000	8500000
15,000 11% Redeemable Cumulative Preference Shares of Rs. 100/- each	1500000	1500000
	<u>10000000</u>	<u>10000000</u>
Issued, Subscribed and Paid-up		
700000 equity shares of Rs. 10/- each	7000000	7000000
	<u>7000000</u>	<u>7000000</u>
<u>SCHEDULE - 2 : RESERVES & SURPLUS:</u>		
15% Central Invest. Subsidy	1500000	1500000
Investment Allowance Utilised	1523812	1523812
Capital Redemption Reserve	1000000	1000000
General Reserve	2000000	2000000
Profit and Loss Account	84902102	46335631
	<u>90925913</u>	<u>52359443</u>
<u>SCHEDULE - 3 : UNSECURED LOANS:</u>		
Short Term Loan from Directors	1500	-
	<u>1500</u>	<u>-</u>

**SCHEDULE FORMING PART OF BALANCE SHEET
SCHEDULE NO. 4: FIXED ASSETS**

Sr. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 1.4.2007	Additions during the year	Sales/ Transfer during the year	Total as on 31.3.2008	Upto 31.3.2007	For the year	Adjustment for Transfer Sales during the year	Total upto 31.3.2008	As on 31.3.2008	As on 31.3.2007
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1.	Land (Leasehold)	1118080	0	1118080	0	1021024	0	1021024	0	0	97056
2.	Building	6029531	0	5943476	86055	4817825	1479	4761353	57951	28104	1211706
3.	Plant & Machinery	1614004	0	576619	1037385	1552584	11243	543308	1020520	16865	61420
4.	Fixture	574724	0	0	574724	552658	4014	0	556670	18053	22066
5.	Vehicle	5000	0	0	5000	2965	527	0	3492	1508	2035
	Total	9341339	0	7638175	1703164	7947056	17263	6325685	1638633	64530	1394283
	Previous Year	9924754	0	583410	9341339	8001257	227628	173427	7947056	1394283	1923497

MARATHWADA REFRACTORIES LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET

Particulars	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE - 5: INVESTMENTS (At Cost)		
QUOTED:	Face Value	
1000 Equity Shares of Rs. 10/- each of M/s. Anil Chemicals and Industries Ltd.	10000	20000
50 Equity Shares of Rs. 10/- each of M/s. Raasi Refractories	500	469
50 Equity Shares of Rs. 10/- each of M/s. Ispat Industries Ltd. (Formerly known as Nippon Denro Ispat Ltd.)	500	300
UNQUOTED:		
NSC-CIDCO Post Office	500	500
Investment in Mutual Fund:		
ICICI Prudential Flexible Income Plan	16048255	-
Market Value of Quoted Investments Rs. 1,60,89,879/- Previous Year 1,667/-)	<u>16069524</u>	<u>21269</u>
SCHEDULE-6: CURRENT ASSETS, LOANS AND ADVANCES		
a) Sundry Debtors (Unsecured, Considered Good) Outstanding for period exceeding 6 Month)	851478	914519
	<u>851478</u>	<u>914519</u>
b) Cash and Bank Balance Cash on Hand Balances with Scheduled Banks - In Current Account	1672	19991
	1055072	57098354
	<u>1056744</u>	<u>57118345</u>
c) Loans and Advances Advance to Staff and other receivables (Considered Good) Balance with Central Excise Payment to DIC under Protest Deposits Loans to Corporate Bodies: - Hari Machine Limited Refund due - FBT (A.Y. 07-08) Income-tax Refund Due (A.Y. 2006-07)	25819	14380
	5424	5424
	51171	-
	28010	28010
	80000000	-
	8140	8140
	-	679946
	<u>80118564</u>	<u>735900</u>
d) Other Current Assets Accrued Interest	366147	-
	<u>366147</u>	<u>-</u>

MARATHWADA REFRACTORIES LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET

Particulars	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
-------------	----------------------------	----------------------------

SCHEDULE - 7: CURRENT LIABILITIES & PROVISIONS

A) Current Liabilities:

i) Other Liabilities	175191	503720
ii) Statutory Liabilities	7964	2858
	<u>183155</u>	<u>506578</u>

B) Provisions:

a) Provision for Gratuity	16111	33482
b) Fringe Benefit Tax Payable	4973	-
c) Provision for Income Tax	10625701	
Less: TDS on Interest	1352181	
Less: Advance Tax	<u>9030000</u>	
	243520	154269
	<u>264603</u>	<u>187751</u>

MARATHWADA REFRACTORIES LIMITED

SCHEDULE FORMING PROFIT & LOSS ACCOUNT

Particulars	Year ended 31.03.2008 Rs.	Year ended 31.03.2007 Rs.
SCHEDULE NO. 8		
Sales (Gross)		
1. Bricks Aurangabad	-	65249
2. MRM Trading Sales	-	1286696
3. Scrap Sales	<u>162716</u>	<u>1036937</u>
Gross Sales	162716	2388882
Less: Excise Duty	<u>-</u>	<u>147254</u>
Net Sales	162716	2241628
SCHEDULE NO. 9		
Increase/(decrease) in stock of finished goods & WIP:		
Closing Stock:		
1. WIP MRM	-	-
2. MGC	-	-
3. WIP MGC	<u>-</u>	<u>-</u>
Less: Opening Stock:		
1. WIP MRM	-	91708
2. MGC	-	2100
3. WIP MGC	<u>-</u>	<u>451623</u>
	-	545431
4. Less: Excise Duty on Opening Stock	<u>-</u>	<u>-</u>
	-	<u>(545431)</u>
SCHEDULE NO. 10		
Other Income:		
House Rent from Others	50700	1400
Weigh Bridge Receipts	93879	152100
Excess provision written Back	379408	30575
Other Misc. Receipts	103759	35668
Bad Debts written Back	-	317444
Sundry Balances written up	55457	-
Interest from Other	-	102594
Refund of Anti Dumping Duty	-	1143060
Interest on Income Tax Refund	136004	-
	<u>819207</u>	<u>1782841</u>

MARATHWADA REFRACTORIES LIMITED

SCHEDULE FORMING PROFIT & LOSS ACCOUNT

Particulars	Year ended 31.03.2008 Rs.	Year ended 31.03.2007 Rs.
SCHEDULE NO. 11		
MANUFACTURING & OTHER EXPENSES		
<u>Salaries and Wages etc.</u>		
- Salaries, Wages and Bonus	158893	199605
- Workmen and Staff welfare expenses	6150	5000
- Contribution to ESI, PF, etc.	18149	20170
- Gratuity	3222	6594
- Ex-Gratia	39971	-
- Retrenchment Compensation	39029	-
Water & Electricity Charges	24071	9642
<u>Repairs & Maintenance</u>		
- Building	-	27000
- Plant & Machinery	-	288305
- Others	4736	4962
Rates and Taxes	110495	117177
Loss on sale of Investment	29100	-
Office expenses	40406	43950
Printing & stationery	17005	33975
Traveling expenses	42438	34308
Audit Fees	36720	20883
Advertisement & Publicity	70993	28177
Telephone & Telex	40139	43309
Postage & telegram	12786	15505
Legal Expenses	191	31727
Professional Charges	158165	163156
Professional Tax (Company)	2500	-
General Expenses	37473	35263
Security Expenses	266145	289528
Director Traveling Expenses	-	33320
Sales Commission	-	10800
Sales Tax	-	694835
Bad Debts	-	89696
Miscellaneous Expenses	53891	69406
	1212667	2316292

MARATHWADA REFRACTORIES LIMITED

SCHEDULE - 12: NOTES FORMING PART OF ACCOUNTS:

Notes Annexed to and forming part of the Balance Sheet as at 31.03.2008 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.
2. **TURNOVERS AND STOCK**

This year	Magnesite Ramming Mass	MRM Trading	Bricks	MGC Bricks
A. Turn Over M.T.	Nil (Nil)	Nil (119.00)	Nil (00.14)	Nil (Nil)
Value Rs. Lacs	Nil (Nil)	Nil (12.87)	Nil (0.65)	Nil (Nil)
B. Opening Stock M.T.	Nil (Nil)	Nil (Nil)	Nil (00.14)	Nil (Nil)
Value Rs.	Nil (Nil)	Nil (Nil)	Nil (0.02)	Nil (Nil)
C. Closing Stock Value Rs. M.T.	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Value Rs.	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)

3. CONTINGENT LIABILITY NOT PROVIDED FOR IN RESPECT OF:

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

4. MANAGERIAL REMUNERATION

Particulars	Current Year Rs.	Previous Year Rs.
i) Remuneration	Nil	Nil

MARATHWADA REFRACTORIES LIMITED

5. 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	16854	22448
b) Tax Audit fees	5612	5612
c) Taxation matters	11236	4490
d) Management service	3012	11224
e) Sales tax/VAT audit	-	28060
C. CLAUSE 4C		
QUANTITATIVE ANALYSIS OF PRODUCTION		
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 Mr. V.D. Jhunjhunwala (HUF)	1500 (Nil)	Nil (15107)
ii) Debts due from Body Corporate in which Director is Interested	Nil	Nil
A) OCL India Limited	(Nil)	(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: Mumbai
Date: 15 May, 2008

Place: New Delhi
Date: 15 May, 2008

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:

At the year end there is no inventory of Stores and packing material, WIP.

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.21271/- (Previous year 59533/-) 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 one employe presently working with the company.

K) Leave Encashment:

Leave encashment is determined on the basis of leave rules of 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: Mumbai
Date: 15 May, 2008

Place: New Delhi
Date: 15 May, 2008

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 2008
Date Month Year

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

Public Issue Right Issue
Nil Nil

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

Total Liabilities 98079 Total Assets 98079

Sources of Funds

Paid up Capital 7000 Reserve & Surplus 90926

Secured Loan Nil Unsecured Loans 1

Deferred Tax Liabilities 152

Application of Funds

Net Fixed Assets 65 Investments 16070

Net Current Assets 81945 Misc. Exps. Nil

Accumulated Losses Nil

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

Turnover 51068 Total Expenditure 1592

Profit before tax 49476 Profit after tax 38566

Earning per share

In Rs. 55.09 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) Managesite 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: 15 May, 2008

V.D. Jhunjhunwala
Managing Director

H.B. Belwal
Director

MARATHWADA REFRACTORIES LIMITED

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULARS	As at 31st March, 2008 Rs.	As at 31st March, 2007 Rs.
Net Profit/Loss before Taxes	49472849	4273323
Add: Depreciation	17263	173427
Loss on sale of Share	—	200000
Loss on sale of Investment	29100	—
Inventories Written off	—	545431
Excess Provision debited	3150	—
Loss on sale of Fixed Assets	<u>362130</u>	—
	411643	918858
Less: Dividend on Investment	77649	195
Interest Earned	5959204	4386877
Surplus from Sale of Fixed Assets	44049633	276588
Excess provision Written Back	379408	—
Sundry Balances W/up	<u>55457</u>	—
	50521352	4663660
Operating Profit/(Loss)	(636859)	528521
A. ADJUSTMENTS FOR WORKING CAPITAL CHANGES		
Increase/(Decrease) in Trade and Other receivable	(63041)	(913191)
Increase/(Decrease) Loans & Advances	79382816	(51574709)
Increase/(Decrease) Other Current Assets	366147	—
Decrease/(Increase) in Trade Payables	323423	466930
Decrease/(Increase) in Provision for Gratuity	<u>17371</u>	<u>(6594)</u>
	80026716	(52027564)
Cash generated from operations	(80663576)	52556085
Add: Interest	5959204	4386877
Less: Taxes Paid	(10388124)	(1259782)
Net Cash (Utilised)/Generated In Operating Activities	(85092495)	55683180
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Sale of Fixed Assets	45000000	632370
Loss on sales of Shares	—	(200000)
Investment in ICICI Income Plan	(15970900)	—
Dividend of Investment	<u>294</u>	<u>195</u>
	29029394	432565
Net Cash Generated from Investing Activities	29029394	432565
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Unsecured Loans	1500	(15107)
Increase/(Decrease) in Capital Incentives	—	—
Cash used for financing activities	1500	(15107)
Net Change in Cash and Cash Equivalents	(56061601)	56100637
Cash and Cash Equivalents Closing Balance	1056744	57118345
Cash and Cash Equivalents Opening Balance	<u>57118345</u>	<u>1017708</u>
	(56061601)	56100637

For Marathwada Refractories Limited

V.D. Jhunjhunwala
Managing Director

Place : New Delhi

Date : 15 May, 2008

We have Verified the above Cash Flow statement of Marathwada Refractories Ltd. Derived from the audited annual Financial statement for the year ended 31st March, 2008 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

Place: Mumbai

Date: 15 May, 2008

G.M. Bothara
Partner

Membership No. : 16119

MARATHWADA REFRACTORIES LIMITED

MARATHWADA REFRACTORIES LIMITED

Regd. Office: F-4/1, Chikalthana, Industrial Area, MIDC, Aurangabad-431210

PROXY FORM

Folio No. :

No. of Shares held :

I/We of in the District of being a member/members of the above Company hereby appoint Sh./Smt. of in the district of As my/our proxy to attend and vote for me/us on my/our behalf at the 28th Annual General Meeting of the Company to be held on Monday the 29th day of September, 2008 at its Registered Office at F-4/1, Chikalthana, Industrial Area, MIDC, Aurangabad-431210 11.30 AM and any adjournment thereof.

Agenda Item No.	Vote* In favour	Vote* against
1		
2		
3		

Affix
Revenue
Stamp

Signed this Day of 2008

Signature

Note: *Please tick (_/) in this column wherever applicable.
The 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

Regd. Office: F-4/1, Chikalthana, Industrial Area, MIDC, Aurangabad-431210

ATTENDANCE SLIP

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

#Folio No. :

No. Of Shares Held:

Name of the Member
(In block letters)

Name of the Proxy
(If any)

I hereby record my presence at the Annual General Meeting of the Company held on Monday the 29th day of September, 2008 at at F-4/1, Chikalthana, Industrial Area, MIDC, Aurangabad-431210 11.30 AM

.....
Signature of the Member/Proxy

#ADMISSION SLIPS WITHOUT THIS INFORMATION WILL NOT BE ACCEPTED

BOOK - POST
Under Certificate of Posting

If Undelivered Please Return to :

MARATHWADA REFRACTORIES LIMITED

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

Aurangabad - 431 210