

MARATHWADA REFRACTORIES LIMITED

25th ANNUAL REPORT

2003 - 2004

MARATHWADA REFRACTORIES LIMITED

BOARD OF DIRECTORS :

Shri V. D. Jhunjhunwala, Managing Director

Shri. R. K. Agarwal

Shri. S. K. Aggarwal

BANKERS :

Union Bank of India

HDFC Bank Ltd.

AUDITORS :

Khandelwal Jain & Co.

Chartered Accountants

Aurangabad.

REGISTERED OFFICE & WORKS :

F-4/1, Chikalthana,

Industrial Area,

M.I.D.C.,

Aurangabad - 431 210.

MARATHWADA REFRACTORIES LIMITED

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

NOTICE

Notice is hereby given that the **Twenty Fifth Annual General Meeting** of the Company will be held on Tuesday, The 21st day of Sept. 2004 at 4.30 p.m. at its Registered Office at F-4/1, Chikalthana Industrial Area, MIDC, Aurangabad - 431 210 to transact the following business.

Ordinary Business :

- 1) To receive, consider and adopt audited Balance Sheet as at **31st March 2004** and Profit & Loss Account for the year ended on that date alongwith Auditors Report and the Directors Report thereon.
- 2) To appoint a director in place of **Shri. S. K. Aggarwal** who retires by rotation and being eligible offers himself for reappointment.
- 3) To appoint auditors and to fix their remuneration.

Special Business :

- 4) To consider and if thought fit, to pass with or without modification(s), the Following resolution as a SPECIAL RESOLUTION :

"RESOLVED THAT subject to the provisions of Section 372A of the Companies Act, 1956 and all other applicable laws, rules, regulations, circulars, notification, guidelines and subject to such approvals, consents, premissions or sanctions as may be necessary, the Board of Directors of the Company be and are hereby authorized to grant loans, give guarantee, provide security or make investments in excess of 60% of the paid-up share capital and free reserves of the Company or 100% of the free reserves of the Company, whichever is more, as prescribed under Section 372A as they may, in their absolute discretion deem beneficial and in the interest of the Company, upto an aggregate amount of Rs. 10 crores."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be deemed expedient and necessary to give effect to this resolution."

By order of the Board

Registered Office :

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

Sd/-

(V. D. JHUNJHUNWALA)
MANAGING DIRECTOR

Place : New Delhi

Date : 21st July, 2004

MARATHWADA REFRACTORIES LIMITED

NOTES :

- a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself on a poll only and a proxy need not be a member of the company.
- b) The instruments appointing proxy should however be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- c) Members are requested to intimate before 21st September, 2004, the changes, if any, in their registered address along with the Pin Code Number.
- d) The Register of Members and share transfer books will remain closed from 21st September 2004 to 23rd September 2004, both days inclusive.
- e) An **Explanatory Statement** pursuant to Section 173(2) of the Companies Act, 1956 in respect of the items of Special Business is enclosed.

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

Item No. 4 :

The operations of certain production units of the Company were suspended during the year and the Company has also disposed off major items of plant, machinery, equipments, ect. The Company intends to invest the available funds by way of acquisition, subscription, purchase or otherwise in the securities of other body corporate or grant loans, give guarantee, provide security in excess of the limit specified u/s 372A of the Companies Act, 1956 which shall be in the best interests of the Company for which approval of the shareholders is required.

No Director is, in any way, concerned or interested in the said resolution.

Place : New Delhi
Date : 21st July, 2004

(V. D. JHUNJHUNWALA)
MANAGING DIRECTOR

MARATHWADA REFRACTORIES LIMITED

DIRECTORS' REPORT

To,

The Members,

Marathwada Refractories Limited :

Your Directors have pleasure in presenting the **Twenty Fifth Annual Report** of your Company together with audited Accounts and Balance Sheet for the year ended **31st March, 2004**.

1. Financial Results :-

	This Year Rs.	Previous Year Rs.
Profit/ (Loss) before depreciation	(23,54,943)	(14,06,016)
Prior period item	3,28,852	NIL
Add/Less : Depreciation	4,01,691	24,06,098
Net Profit / (Loss)	(30,85,486)	(38,12,114)
Provision for Taxation For Earlier Years	14,79,610	NIL
Provision for Taxation For Current Years	8,10,000	NIL
Deferred Tax Asset	31,267	1,71,733
Profit/Loss after taxation	(53,43,829)	(36,40,381)
Balance brought forward	4,61,69,421	4,98,09,803
Balance C/F to Balance-Sheet	4,08,25,592	4,61,69,421

2. Operations :-

During last year the production of Magnesite Carbon Bricks and Magnesite Ramming Mass at its industrial unit situated at Aurangabad was suspended During the year. The company has disposed off major items of Plant, Machinery, Equipments etc. The trading operations from Salem (Tamil Nadu) are continuing.

3. Dividend :

Due to operating losses your directors are unable to recommend dividend on shares.

4. ISO 9001 : 2000

In line with company policy of "Qualify First" through a quality management system, which continuously strives to improve its effectiveness and customer satisfaction, your company has been recognised as IS ISO 9001:2000 by NQA Quality Systems Registrar Ltd. vide registration certificate No. 02/004/J dt. 23.01.02

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

The required particulars are set out in the Annexure "A" hereto.

6. Fixed Deposits :

The Company has neither invited nor accepted fixed deposits from public within the meaning of section 58 A of the Companies Act, 1956 during the year under review.

MARATHWADA REFRACTORIES LIMITED

7. Particulars of Employees :

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

8. Employees and Industrial Relations :

During the year under consideration there were problems with employee's union. After prolonged negotiations and litigation the matter was amicably settled with payment of compensation to those employees who were relieved from their job. Baring this the industrial relations were normal.

9. Directors :

Mr. S. K. Aggarwal retires by rotation and being eligible offers himself for re-appointment. Board recommends his reappointment.

10. 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. The Company as proposed to gets its shares delisted from The Calcutta Stock Exchange Association Limited.

11. Report on Corporate Governance :-

Since the paid up capital of the company is less than Rs. 3 crores. The clause 49 of the listing agreement with Stock Exchange does not require the company to comply with the all procedural formalities on Corporate governance.

12. 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 explanation relating to material departures.
- (ii) The Directors have selected such accounting policies and applied them consistently and judgement 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 2004**, and of the profit 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 the assets of the Company and for 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, retiring auditors, have advised that they are willing to be re-appointed as Auditors of the Company pursuant to section 224 (1) of the Companies Act, 1956. The board recommends their appointment. The observations of the Auditors in their report are self explanatory.

MARATHWADA REFRACTORIES LIMITED

13. Acknowledgements :

Your Directors gratefully acknowledge the co-operation and assistance extended by the various Government authorities, the Financial Institutions, our Bankers namely Union Bank of India and State Bank of India and other Commercial Banks. The Directors express their deep appreciation for dedicated and sincere services rendered by the Officers and Employees of the Company.

For and on behalf of the Board of Directors

**Sd/-
(V. D. JHUNJHUNWALA)
MANAGING DIRECTOR**

**Sd/-
(S. K. Aggarwal)
DIRECTOR**

**Place : New Delhi
Dated : 13th May, 2004**

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MARATHWADA REFRACTORIES LIMITED

ANNEXURE "A" TO THE DIRECTOR'S REPORT

Information pursuant to the provisions of Section 217(1)(e) read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended **31st March 2004**.

A. Conservation of energy :

There is only domestic consumption of power. There is limited scope for energy conservation.

Power & Fuel Consumption :	Current Year -----	Previous Year -----
1. <u>Electricity</u>		
a) Purchased		
Unit (kwh)	Nil	1,72,447
Total amount (Rs.)	Nil	9,20,790
Rate / Unit (Rs.)	Nil	5.34
2. LDO & others (Rs.)	Nil	1,43,334

Consumption per unit of Production :

Production of Refractories

(MRM/Bricks/Castable/MGC) in MT	Nil	2009.273
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Electricity (kwh) per M.T.

of production	Nil	86
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LDO PMT of MGC	Nil	101
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Production	MT	Nil	1421.323
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B. The Company has collaboration agreement with M/s OCL India Ltd., for providing technical know-how. The Company has regular practice of introducing technical improvements in production process for improvement of quality, etc.

C. Foreign Exchange Earning and Outgo :-

There are no foreign exchange earnings or outgos

MARATHWADA REFRACTORIES LIMITED**COMPLIANCE CERTIFICATE**

(See Rule - 3)

Registration No. of the Company : 11-21846

Nominal Capital : 1,00,00,000/-

To,
Members
Marathwada Refractories Limited
Aurangabad.

I have examined the registers, records, books and papers of M/s. Marathwada Refractories Limited (the Company) as required to maintained under The Companies Act, 1956 (the Act) and rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial year ended on 31st March 2004. 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 by its officers and agents, I certify that in respect of the aforesaid financial year :

01. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.

02. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies. Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.

03. The company being Public Limited Company, has the minimum prescribed paid up capital.

04. The Board of directors duly met five times on 17-05-2003, 24-07-2003, 31-07-2003, 22-10-2003, 22-01-2004 in respect of which meetings proper notice were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.

05. The company closed its Registers of Members, from 22 Sept. 2003 to 24 Sept. 2003 and necessary compliance of section 154 of the Act has been made.

06. The annual general meeting for the financial year ended on 31st March 2003 was held on 22 Sept. 2003 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.

07. No extra ordinary general meeting(s) was held during the financial year.

08. The company has not advanced any loan to its directors or persons or firms or companies referred to under Section 295 of the Act.

09. The company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.

10. The company has made necessary entries in the register maintained under Section 301 of the Act.

11. The company has obtained necessary approvals from the Board of Directors, Members and previous approval of the Central Government pursuant to Section 314 of the Act wherever applicable or not applicable.