

MARATHWADA REFRACTORIES LIMITED

32nd

**ANNUAL REPORT
2010-2011**

MARATHWADA REFRACTORIES LIMITED

BOARD OF DIRECTORS

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

BANKERS

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

AUDITORS

Khandelwal Jain & Co.,
Chartered Accountants, Aurangabad

REGISTERED OFFICE

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

Marathwada Refractories Limited

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

NOTICE

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

ORDINARY BUSINESS:

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

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

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

By order of the Board of Directors,

Place : Bangalore

Dated : 26th August 2011

H.S. Girish Gupta
Director

NOTES:

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

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

Item No.3

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

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

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

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

Item No.4

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

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

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

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

Item No.5

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

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

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

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

Item No. 6

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

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

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

Place : Bangalore

Date : 26th August 2011

for Marathwada Refractories Limited,

H.S. Girish Gupta
Director

MARATHWADA REFRACTORIES LIMITED

Director's Report

To,
The Members,
Marathwada Refractories Limited

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

1. Financial Results:

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

2. Operations:

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

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

3. Dividend:

Your Directors have decided not to recommend dividend on shares.

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

A. Conservation of energy:

There is no manufacturing activity carried out during the year.

B. Foreign Exchange Earning and Outgo:

There are no foreign exchange earnings or outgoes.

5. Public Deposits:

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

6. Particulars of Employees:

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

7. Change in Management Control:

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

8. Directors:

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

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

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

9. Listing of Shares:

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

10. Compliance Certificate

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

11. Director's Responsibility Statement:

The Directors confirm

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