

MARATHWADA REFRACTORIES LIMITED

21ST ANNUAL REPORT

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1999-2000

MARATHWADA REFRACTORIES LIMITED

BOARD OF DIRECTORS :

Shri S. M. Shroff
Shri Sachin Tulsyan - Alternate Director to
Shri S. M. Shroff
Shri Kailash Chandra Seksaria
Shri R. S. Krishnan
Shri V. D. Jhunjhunwala, Managing Director

BANKERS :

Union Bank of India
State Bank of India

AUDITORS :

Khandelwal Jain & Co.
Chartered Accountants
Aurangabad.

REGISTERED OFFICE & WORKS :

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

NOTICE

Notice is hereby given that the **Twenty First Annual General Meeting** of the Company will be held on Monday, 25th day of Sept. 2000 at 4.00 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 2000 and Profit & Loss Account for the year ended on that date alongwith Auditors Report and the Directors Report thereon.
- 2) To declare a dividend for the year ended on 31.3.2000.
- 3) To appoint a director in place of **Shri. R. S. Krishnan** who retires by rotation and being eligible offers himself for re-appointment.
- 4) To appoint auditors and to fix their remuneration.

Registered Office :

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

For **MARATHWADA REFRACTORIES LTD.**

(V. D. JHUNJHUNWALA)
MANAGING DIRECTOR

Place : Mumbai

Date : 10th May, 2000

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 INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2) THE INSTRUMENTS APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 3) MEMBER ARE REQUESTED TO NOTIFY IMMEDIATELY ANY CHANGE IN THEIR ADDRESS TO THE COMPANY.
- 4) THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS WILL REMAIN CLOSED FROM 23RD SEPT. TO 25TH SEPT. 2000 (BOTH DAYS INCLUSIVE)

For **MARATHWADA REFRACTORIES LTD.**

Place : Mumbai

Date : 10th May, 2000

(V. D. JHUNJHUNWALA)
MANAGING DIRECTOR

MARATHWADA REFRACTORIES LIMITED**DIRECTORS' REPORT**

To,
The Members,
Marathwada Refractories Limited :

Your Directors have pleasure in presenting the **Twenty First Annual Report** of your Company together with audited Accounts and Balance Sheet for the year ended 31st March, 2000.

1. Financial Results :-

	This Year Rs.	Previous Year Rs.
Profit before depreciation	2,82,56,416	57, 97, 619
Less : Depreciation	27, 64,009	30,85,899
Net Profit	2,54,92,407	27,11,720
Provision for Taxation	70,00,000	9,61,000
Adjustments relating to earlier years	0	6,76,200
Profit after taxation	1,84,92,407	10,74,520
Balance brought forward	3,14,79,518	3,04,04,998
Profit available for Appropriation	4,99,71,925	3,14,79,518
Less : Proposed Dividend	70,00,000	0
Tax on Dividend	7,70,000	0
Less : Transferred to General Reserve	20,00,000	0
Balance C/F to Balance-Sheet	4,02,01,925	3,14,79,518

2. Dividend :

Your Directors have decided to pay Rs. 10/- per equity share as interim dividend for the year 1999-2000. Your Directors propose to pay Rs. 10/- per equity shares as final dividend including interim dividend for the year 1999-2000.

3. Operations :

The performance of your Company during the year under review was good as compared to previous year. Sales increased by 40.33% as compared to previous year. Net profit after tax is Rs. 184.92 Lacs. Net profit after tax with depreciation added back is Rs. 212.56 Lacs as compared to previous year Rs. 41.60 lacs, recording a increase of 410.96% over last year. Profit for the year includes refund of income tax pertaining to earlier years Rs. 47,52,400/- and interest thereon Rs. 16,56,479/-.

MARATHWADA REFRACTORIES LIMITED

4. Finance :

During the year under consideration, the Company repaid entire term loan and loan against FDR totalling Rs. 72 lacs. There is no term loan liability on the company.

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. Directors :

Shri. R. S. Krishnan retires by rotation and being eligible offered himself for re-appointment

7. Auditors :

M/s. Khandelwal Jain & Co., Chartered Accountants, will retire at the ensuing Annual General Meeting and are eligible for re-appointment. Certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the prescribed limit under section 224 (1B) of the Companies Act, 1956. The board recommends their appointment.

The observations of the Auditors in their report are self explanatory.

8. Particulars of Employees :

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

9. 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

10. YEAR 2000 (Y2K) :

The Company has had a successful transition into new millennium without facing any Y2K problem in respect of all of its activities. The provision made in previous year for the expenditure of Y2K compliances, was sufficient.

11. Acknowledgement :

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

V. D. Jhunjhunwala
Managing Director

R. S. Krishnan
Director

Place : Mumbai
Date : 10th May, 2000

MARATHWADA REFRACTORIES LIMITED**Annexure "A"**

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 2000

A. Conservation of energy :

- a) Energy conservation measures taken :-
 - i) Idle running of machineries and equipment controlled.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy : NIL
- c) Impact of measures taken :
Electricity consumption per unit of output has marginally decreased due to stringent measures taken.
- d) Form - A :

Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the rules is given below :

Power & Fuel Consumption :	Current Year	Previous Year
	-----	-----
1. Electricity		
a) Purchased		
Unit (kwh)	3,70,766	2,83,351
Total amount (Rs.)	19,17,202	14,97,962
Rate / Unit (Rs.)	5.17	5.29
b) Own generation	Nil	Nil
2. LDO & others (Rs.)	1,96,139	99,263
Consumption per unit of Production :		
Production of Refractories		
(MRM/Bricks/Castable/MGC) in MT	6780.497	4973.356
Electricity (kwh) per M.T.		
of production	Rs. 55	57
LDO PMT of MGC	Rs. 70	60
Production 2803.324 MT		
(Prev. Year 1665.416 MT)		

- 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. Foreign exchange outgo for import of Raw Materials during the year was Rs.2,23,41,892/- (Previous year Rs. 1,80,74,960)

MARATHWADA REFRACTORIES LIMITED

AUDITORS' REPORT :

To,
The Shareholders,
Marathwada Refractories Limited

We have audited the attached Balance Sheet of Marathwada Refractories Limited as at 31st March, 2000 and also the annexed Profit and Loss Account of the Company for the year ended on that day and report that :

1. As required by the Manufacturing and Other Companies (Auditors Report) Order, 1988 issued by Central Government under Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement of the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph 1 above :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of accounts as required by the law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of accounts.
 - d) In our opinion, the Balance Sheet and Profit & Loss Account comply with the Accounting Standard referred to in sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable and
 - e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - i) In the case of the Balance Sheet, the state of affairs of the Company as at 31st March, 2000 and
 - ii) In the case of Profit and Loss Account, of the Profit of the year ended on that date.

For Khandelwal Jain & Co.
Chartered Accountants

(G.M. Bothara)
Partner

Place : Aurangabad
Date : 11th May, 2000

MARATHWADA REFRACTORIES LIMITED**ANNEXURE TO AUDITORS' REPORT :**

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

- A. In case of manufacturing activity :
- i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
 - ii) None of the fixed assets have been revalued during the year.
 - iii) The stocks of finished goods, stores, spare parts and raw materials have been physically verified by the management during the period at reasonable intervals.
 - iv) In our opinion the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - v) The discrepancies noticed on verification of stocks as compared to book records were not material and these have been properly dealt with in the books of accounts.
 - vi) The stock valuation is fair and proper in accordance with the normally accepted accounting principles. Stocks are valued at cost except non movable inventory at net realisable value. The basis of valuation is same as previous year in case of raw materials, stores etc. In case of work in progress and finished goods necessary changes are incorporated to company with Accounting standard (AS-2) of the Institute of Chartered Accountants of India.
 - vii) The Company has availed unsecured loan from Managing Director of the Company. The rate of interest and other terms and conditions of the loan are not prejudicial to the interest of the company.
 - viii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to the companies, firms and other parties covered under Section 301 and 370 (1-B) of the Companies Act 1956.
 - ix) In respect of loans and advances in the nature of loans given by the company to its employees and others are repaying the principle amounts as per stipulation, wherever such stipulations are made and are also regular in payment of interest, wherever applicable.
 - x) In our opinion and according to the information and explanations given to us, there is adequate internal control procedure, commensurate with the size of the Company and nature of its business, for the purchase of stores, raw materials, including components, plant and machinery, equipments and other assets and for the sale of goods.
 - xi) According to the information and explanations given to us, the transactions of purchase & Sales of goods and materials and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1 of 1956) and aggregating during the year to Rupees fifty thousand or more are made at prevailing market rate.