

MARATHWADA REFRACTORIES LIMITED

26th ANNUAL REPORT

2004 - 2005

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

REGD. OFFICE : F-4/1, Chikalthana Industrial Area, MIDC, Aurangabad - 431 210

SUPPLEMENTARY NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the **Twenty Sixth Annual General Meeting** of the Company will be held on Tuesday, the **27th day of September, 2005 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 as a **SPECIAL BUSINESS** along with other items of the original notice dated 19th May 2005.

SPECIAL

4. To consider and if thought fit, to pass with or without modification (s), the following resolution as an **ORDINARY RESOLUTION** :

"RESOLVED the Shri H B Belwal be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. To consider and if thought fit, to pass with or without modification (s) the following resolution as an **ORDINARY RESOLUTION**

"RESOLVED that Shri P C Sharma be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

Item No.4 & 5 :

Shri H B Belwal and Shri P C Sharma were appointed as additional Directors of the Company w.e.f. 20.7.2005. Pursuant to the provisions of Section 260 of the Companies Act, 1956 Shri H B Belwal and Shri P C Sharma hold office upto the date of the forthcoming Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received from members of the company, along with deposit of Rs. 500/- each, signifying their intention to propose Shri H B Belwal and Shri P C Sharma as Directors of the Company.

Apart from Shri H B Belwal and Shri P C Sharma, no other Director is concerned or interested in the said resolutions.

By order of the Board

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

S/d
(V.D.Jhunjunwala)
MANAGING DIRECTOR

Place : New Delhi
Dated : 20th July 2005

Notes :

(To be read with notes as per original notice dated 19th May, 2005)

1. The Register of Members and share transfer books will remain closed from 16th September 2005 to 27th September 2005, both days inclusive, instead of the period mentioned in the original notice dated 19th May, 2005

MARATHWADA REFRACTORIES LIMITED

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

NOTICE

Notice is hereby given that the **Twenty Sixth Annual General Meeting** of the Members of the Company will be held on Tuesday, 27th day of Sept. 2005 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 2005** and Profit & Loss Account for the year ended on that date alongwith Auditors Report and the Directors Report thereon.
- 2) To appoint Director in place of **Shri. R. K. Aggarwal** retires by rotation and being eligible offers himself for reappointment.
- 3) 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.**

Sd/-

(V. D. JHUNJHUNWALA)

MANAGING DIRECTOR

Place : New Delhi
Date : 19th May, 2005

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 16th September, 2005, 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 16th September 2005 to 26th September 2005, both days inclusive.

MARATHWADA REFRACTORIES LIMITED

DIRECTORS' REPORT

To,

The Members,

Marathwada Refractories Limited :

Your Directors have pleasure in presenting the **Twenty Sixth Annual Report** of your Company together with audited Accounts and Balance Sheet for the year ended **31st March, 2005**.

1. Financial Results :-

	This Year Rs.	Previous Year Rs.
Profit/ (Loss) before depreciation	3,74,423	(23,54,943)
Add : Prior period item	2,25,970	3,28,852
Less : Adjustment Against Previous Year	3,36,454	Nil
Add/Less : Depreciation	2,41,770	4,01,691
Net Profit / (Loss)	22,169	(30,85,486)
Provision for Taxation for Earlier Years	0	14,79,610
Provision for Taxation for Current Years	14,35,786	8,10,000
Deferred Tax Asset	22,41,541	31,267
Profit (Loss) after taxation	8,27,924	(53,43,829)
Balance brought forward	4,08,25,592	4,61,69,421
Balance C/F to Balance-Sheet	4,16,53,515	4,08,25,592

2. Operations :-

During the year under consideration the production of Magnesia Carbon Bricks and Magnesite Ramming Mass at its industrial unit situated at Aurangabad was suspended. The company has disposed off the Plant and Machinery. The trading operations from Salem (Tamil Nadu) have continued. During the year and the company executed sales of Rs. 19.69 lacs (previous year 19.30 lacs) from trading activity.

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 outgos.

MARATHWADA REFRACTORIES LIMITED

5. Fixex 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.

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. R. K. Aggarwal retires by rotation and being eligible offers himself for re-appointment. Board recommends his 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. The Company has already proposed to get its shares delisted from The Calcutta Stock Exchange Association Limited.

9. Report on Corporate Governance :-

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

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 explanation relating to material departures.
- (ii) The 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 2005**, 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. 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 HDFC Bank Ltd. and other Commercial Banks. The Directors

MARATHWADA REFRACTORIES LIMITED

express their deep appreciation for dedicated and sincere services rendered by the Officers and Employees of the company.

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 (HUF), Gaurav Dalmia Parivar Trust, 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, Kanu Sharad Parivar Trust, Kanu Sharad Family Trust, Radha Hari Dalmia Privar Trust. Shri R.H. Dalmia, Shri R.H. Dalmia (HUF), Smt Padma Dalmia, Shripriya Dalmia Thirani, Km. Anuradha Dalmia, Km. Vrinda Dalmia, Raghu Padma Trust.

Kabirdas Investments Ltd., Dalmia Agencies Pvt. Ltd., Konark Investments Ltd., Madhurkar Investment Ltd., Swank Services Private Ltd., Hari Machine Ltd., National Synthethics Ltd., Dalmia 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.

For and on behalf of the Board of Directors

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

Sd/-
(S. K. Aggarwal)
DIRECTOR

Place : New Delhi

Dated : 19th May, 2005

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 2005. 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 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 six times on 13-05-2004, 21-07-2004, 14-10-2004, 09-12-2004, 21-01-2005, 11-03-2005 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 and signed including the circular resolutions.

05. The company closed its Registers of Members, from 21 Sept. 2004 to 23 Sept. 2004 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 2004 was held on 21 Sept. 2004 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 it's 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.

MARATHWADA REFRACTORIES LIMITED

12. The Board of Directors or duly constituted Committee of Directors has approved the issue of duplicate share certificates.

13. The company has :

(i) delivered all the certificate on allotment of securities and on the lodgment therefore transfer/transmission or any other purpose in accordance with the provisions of the Act.

(ii) Deposite the amount of dividend declared including interim dividend in a separate bank account and the same is delayed by five days from the date of declaration of such dividend. Not applicable.

(iii) Paid /posted warrant for dividends to all the members within a period of 30 (thirty) days from the date of delectation and there was no unclaimed/unpaid dividend to be transfer to unpaid dividend account of the company.

(iv) There was no transfer of any amounts in unpaid 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 to investor education and protection fund.

(v) Duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the company is duly constituted and there was no appointment of any additional director, alternate directors and directors to fill the casual vacancies during the finacial year.

15. The Company has not appointed Director during the financial year.

16. The company has not appointed any sole-selling agents during the financial year.

17. The company was not required to obtained all necessary approval of the Central government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.

18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.

19. The company has not issued any shares during the financial year and complied with the provisions of the Act.

20. The company has not bought back any shares during the financial year.

21. There was no redemption of Preference shares / Debentures during the financial year.

22. The company wherever necessary has kept in abeyance rights to dividend rights shares and bonus shares pending registration of transfer of shares in compliance of with provisions of the Act - Not Applicable.

23. The company has not invited / accepted any deposit including any unsecured loan falling within purview of 58A during the financial year.

24. The amount borrowed by the company from directors, members, public, financial institutions, banks, and others during the financial year ending 31st March 2005 are within the borrowing limits of the company.

25. The company has not made loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.