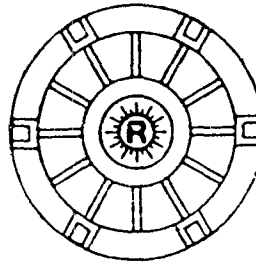


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AD	☒			



RAASI REFRACTORIES LIMITED

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15th

ANNUAL REPORT

1996-97

VENUE

HARI HARA KALA BHAVAN,
M.C.H.COMPLEX, SARDAR PATEL ROAD,
SECUNDERABAD - 500 003.

DATE

TUESDAY, THE 30TH SEPTEMBER, 1997.

Report  junction.com

TIME

10-30 A.M.



RAASI REFRACTORIES LIMITED

BOARD OF DIRECTORS

DR B.V.RAJU	<i>Chairman</i>
SRI M. RAVINDRA VARMA	<i>Managing Director</i>
SRI P.R.DHINAKARAN	<i>I F C I Nominee</i>
SRI D.VENKATAKRISHNAN	<i>I D B I Nominee</i>
SRI R.VARADARAJAN	<i>L I C Nominee</i>
SRI D.V.L.N.MURTHY, I.A.S	<i>A P I D C Nominee</i>
SRI J.S.SUBBA RAO	<i>S B H Nominee</i>
SRI K.S.N.RAJU	<i>Director</i>
SRI K.V.VISHNU RAJU	<i>Director</i>
SRI R.KUNJITHAPATHAM	<i>Director</i>

COMPANY SECRETARY

SRI VISWANATH E.N.

AUDITORS

B.N.& Company
Chartered Accountants
8-2-120/112/A/14,
Road No. 9, Jubilee Hills,
Hyderabad - 500 034.

BANKERS

State Bank of Hyderabad
Industrial Finance Branch,
Punjagutta,
Hyderabad - 500 082.

Andhra Bank
Ashok Nagar Branch,
Hyderabad - 500 020.

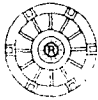
REGISTERED & CORPORATE OFFICE

6-3-596/77/11, III Floor,
Naveen Nagar Colony,
Khairatabad,
Hyderabad - 500 004.

FACTORY

Lakshmipuram
Narketpally
Nalgonda District
ANDHRA PRADESH - 508 254.

CONTENTS	Page No.
Notice	2
Explanatory Statement	3
Directors' Report	4
Auditors' Report	9
Balance Sheet	12
Profit & Loss Account	13
Schedules to Accounts	14
Significant Accounting Policies	22
Notes to Accounts	23
Cash Flow Statement	26
Balance Sheet Abstract & Business Profile	28



RAASI REFRACTORIES LIMITED

2

NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING OF THE COMPANY

NOTICE is hereby given that the FIFTEENTH ANNUAL GENERAL MEETING of the members of the Company will be held on Tuesday, the 30th September, 1997 at 10.30 A.M. at HARI HARA KALA BHAVAN, M.C.H COMPLEX, SARDAR PATEL ROAD, SECUNDERABAD - 500 003 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 1997 and Profit & Loss Account for the Financial Year ended on that date and Report of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Shri K.S.N. Raju who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri K.V.Vishnu Raju who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

To consider and, if thought fit, to pass with or without modifications, the following Resolution as an **Ordinary Resolution**:

RESOLVED THAT M/s B.N & Company, Chartered Accountants, be and are hereby appointed as Auditors of the Company until the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors of the Company and reimbursement of out-of-pocket and incidental expenses.

SPECIAL BUSINESS

5. **Contribution to charitable and other funds**

To consider and, if thought fit, to pass with or without modifications, the following Resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 293(1)(e) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded and authorised the Board of Directors of the Company (hereinafter called

"Board") to contribute to charitable funds, general charities and other funds/purposes not directly relating to the business of the Company or welfare of the employees from time to time in any financial year to the extent of Rs. 5,00,000 (Rupees Five Lacs) or 5% of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956 during the three financial years immediately preceeding, whichever is lower.

By Order of the Board
For RAASI REFRACTORIES LIMITED

Sd/-
Place : Hyderabad **VISWANATH E.N.**
Date : 05 -09 -1997 COMPANY SECRETARY

NOTES:

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business is annexed herewith.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and to vote instead of himself and such proxy need not be a member of the Company.
3. Proxies, in order to be effective, forms must be deposited at the Registered Office of the Company not later than forty eight hours before the commencement of the Meeting. Proxy forms should be duly completed, signed and stamped before depositing at the Registered Office of the Company.
4. Members are requested to lodge all valid transfer and transmission of shares and Power of Attorney and also to notify the change of address, if any, to the Company's Registered Office at 6-3-596/77/11, III Floor, Naveen Nagar Colony, Khairatabad, Hyderabad - 500 004.
5. Shareholders having multiple Folio Numbers either in individual name or in joint names in



RAASI REFRACTORIES LIMITED

3

- the same order should intimate the Company enabling the Company to consolidate such Folios in one Folio.
6. Members are requested to bring their copies of the Annual Report with them to the Meeting.
 7. Register of Members of the Company and Share Transfer Books will remain closed from 23rd September, 1997 (Tuesday) to 30th September, 1997 (Tuesday) (both days inclusive).
 8. The un-claimed and un-encashed dividend declared for the financial year 1993-94 was transferred to General Revenue Account of Central Government in pursuance to the provisions of Section 205A(5) of the Companies Act, 1956. Those members who have not claimed or encashed such dividend may approach the Registrar of Companies, Hyderabad for payment of such un-claimed/un-encashed dividend by complying the prescribed procedures.

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

As required under Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the special business specified in item No. 5 of Notice of the Meeting.

ITEM NO. 5.

Pursuant to the provisions of Section 293(1)(e) of the Companies Act, 1956, the Board of Directors of your Company cannot contribute towards charities or make donations to charitable institutions or welfare fund or any other general charities not directly relating to the business of the Company more than Rs. 50,000 or 5% of average net profits during the three financial years immediately preceeding whichever is greater except with the consent of the Shareholders of the Company in a General Meeting.

This is an enabling provision authorising the Board of Directors of your Company to contribute to charitable and other Institutions, as they deem fit, as a part of social responsibilities towards society.

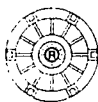
Therefore, the Board of Directors of your Company recommend the proposed Resolution for your approval.

None of the Directors is interested or concerned in the proposed resolution.

By Order of the Board
For **RAASI REFRACTORIES LIMITED**

Sd/-

Place : Hyderabad **VISWANATH E.N.**
Date : 05. 09. 1997 COMPANY SECRETARY



RAASI REFRATORIES LIMITED

4

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting the FIFTEENTH Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 1997.

1. FINANCIAL RESULTS

The Financial Results of the Company for the period under review are given below:

(Rs. in Lacs)

PARTICULARS	For the Year 1996-97	For the Year 1995-96
INCOME		
1. Sales/Income from Operation	1510.32	1551.92
2. Other Income	8.84	11.23
Total	1519.16	1563.15
EXPENDITURE		
3. Cost of Production	1325.37	1270.50
4. Interest	150.64	112.11
5. Depreciation	25.25	22.17
Total	1501.26	1404.78
6. Operating Profit before Tax	17.90	158.37
7. Provision for Tax	2.50	65.00
8. Profit/(Loss) after Tax	15.40	93.37
9. Proposed Dividend	—	29.42

2. REVIEW OF OPERATIONS

The performance of the Company for the period under review was not as good as that of Previous Year due to stiff competition in refractory line of business. The corresponding net profit after tax for the given period has significantly reduced by Rs.77.97 lacs due to decrease in margin, escalation of cost of production and foreign exchange rate.

Despite the unfavourable factors, your Company was able to maintain consistent quality of products by using better quality and

value added inputs to the products in order to achieve the standard heat guarantee stipulated by steel plants. The quality of finished refractory materials are maintained to the acceptable standard of Steel Plants and able to achieve the guaranteed performance. Your Company has not sacrificed the quality despite the reduction of margin and increase in cost. Your Company has strengthened the marketing force in order to sustain in the market.

Your Company has decided to engage the infrastructure facilities of small scale units at Vizag in order to produce selected items of products most economically and to serve better Vizag based clients more effectively and efficiently. The Directors of your Company are confident that this would help the Company to improve the bottom-line position from the next financial year in terms of saving in the cost of transportation and economical scale of operation.

3. PROMISE VERSUS PERFORMANCE

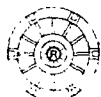
Your Company has not made any promise or projection in any offer document relating to the issue of securities to the public. Therefore, the compliance of Clause 43 of Listing Agreement of the Stock Exchange relating to disclosure of promise v/s performance for the financial year 1996-97 and explanation of its variation does not apply to the Company.

4. CASH FLOW STATEMENT

A Cash Flow Statement is annexed herewith separately which forms part of the Directors' Report in compliance with the requirement of Clause 32 of Listing Agreement of Stock Exchange.

5. OUTLOOK FOR THE INDUSTRY IN FUTURE

Your Company is confident of better outlook and prospects for the refractory industries in future in view of expected increase of cement, steel, chemical, fertilizers and ceramic industries. At present, 70% of refractory products are being used to meet the demand of steel plants. Steel plants are adding additional capacities which would help the Refractory Industries to sustain in the market.



RAASI REFRACTORIES LIMITED

5

6. MARKETING

The team of marketing and service personnel has been strengthened in order to achieve the target set by the management of the Company. The products of the your Company has achieved a significant image and reputation in the refractory market among clients in terms of quality of the products being manufactured and services provided by your Company.

7. EXPANSION PROGRAMME

Your Board of Directors has conceived an idea for expansion programme in high value added products in order to improve the profitability of the Company. The necessary research and developmental activities are being undertaken.

8. CAPITAL EXPENDITURE

During the year under review, your Company has incurred a capital expenditure amounting to Rs.26.02 lacs towards construction of additional buildings and plant and machinery like Ring and Roller, CC Mixture and Motors etc.,

9. DIRECTORS

Shri K.S.N. Raju and Shri K.V.Vishnu Raju retire by rotation at the conclusion of this Fifteenth Annual General Meeting and are being eligible offer themselves for re-appointment. They have expressed their willingness to continue as Directors, if re-appointed at this Meeting.

10. AUDITORS

M/S B.N.& Company, Chartered Accountants, Auditors of your Company retire at the conclusion of the Fifteenth Annual General Meeting. The firm has expressed its willingness to be re-appointed as Auditors of the Company, if approved by the Shareholders.

11. FIXED DEPOSITS

The Company has not accepted any Fixed Deposits from the public within the meaning of Section 58 A of the Companies Act, 1956.

12. PARTICULARS OF EMPLOYEES

Statement of particulars of employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is annexed herewith forming part of the Directors' Report for the Financial Year ended 31st March, 1997, for general information of the members.

13. ADDITIONAL INFORMATION

Additional information as required under Section 217(i)(e) of the Companies Act, 1956 read with Company (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in the Annexure in Form A and Form B which form part of this Report.

NAME	DESIG- NATION	AGE	QUALI- FICATION	REMU- NERATION	EXPERI- ENCE IN YEARS	DATE OF COMMEN- CEMENT	PREVIOUS EMPLOY- MENT
SRI M.RAVINDRA VARMA	MANAGING DIRECTOR	33	B.E., MS (COMPUTER SCIENCE) MS (INDUSTRIAL ENGINEERING)	6,42,000	8	02.04.94	ASPEN SEMI- CONDUCT- TORS SANJOSE CALIFORNIA U.S.A

NOTE:

- 1) Remuneration includes Salary, Allowances, Contribution to Provident Fund and other perquisites and such remuneration in accordance with Schedule XIII of the Companies Act, 1956.
- 2) Employment is contractual.
- 3) No employee of the Company will come within the purview of the provisions of Section 217(2A)(a)(iii) of Companies Act, 1956 during the year.



RAASI REFRATORIES LIMITED

6

14. ACKNOWLEDGEMENT

Your Directors wish to place on record their sense of gratitude and appreciation to the Central and State Governments and their agencies, IFCI, IDBI, ICICI, LIC and its subsidiaries, State Bank of Hyderabad and Andhra Bank for their unstint support and co-operation during the year under review of operation. Your Board of Directors acknowledges the co-operation of valued customers and suppliers.

Your Board of Directors also wish to express their sense of appreciation for the commitment and involvement of the employees of the Company in performance and progress of the Company.

For and on behalf of Board
For RAASI REFRATORIES LIMITED

Place : Hyderabad
Date : 20. 08. 1997

Sd/-
DR. B.V. RAJU
CHAIRMAN

ANNEXURE TO THE DIRECTORS' REPORT

Information as required under Section 217(1)(e) of the Companies Act, 1956 forming a part of Directors' Report.

FORM - A (See Rule - 2)

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

		Current Year 1996-97	Previous Year 1995-96
A.	Power and Fuel consumption		
1.	Electricity		
a)	Purchased		
i)	Unit(kwh)	14,80,170	13,91,700
ii)	Total Amount (Rs.)	48,28,521	37,25,173
iii)	Rate/unit (Rs.)	3.26	2.68
b)	Own Generation		
1.	Through diesel generator		
i)	Unit (kwh)	1,79,931	2,62,455
ii)	Units per ltr. of diesel oil	2.76	2.92
iii)	Cost/unit (Rs.)	3.19	2.71
2.	Through steam turbine/generator	Not	Not
i)	Units	Applicable	Applicable
ii)	Units per ltr. of fuel oil/gas		
iii)	Cost/Units		
2.	Coal (specify quality and where used)	'C' Round grade coal used in gas producer plant and also in Down Draft Kilns.	
i)	Quantity (tonnes)	3,473	3,167
ii)	Total cost (Rs.)	48,08,458	35,85,694
iii)	Average rate (Rs.)	1,384.53	1,132.21
3.	Furnace oil	Not	Not
i)	Quantity (k. ltrs.)	Applicable	Applicable
ii)	Total Amount (Rs.)		
iii)	Average Rate (Rs.)		
4.	Others/internal generation	Not	Not
i)	Quantity	Applicable	Applicable
ii)	Total Cost (Rs.)		
iii)	Rate/Unit (Rs.)		



RAASI REFRATORIES LIMITED

7

B. Consumption per unit of production

	Standards (if any)	Current Year 1996-97	Previous Year 1995-96
Products			
Fireclay (MT)	—	22,025	22,481
Electricity (units)	—	75.38	73.58
Furnace oil	—	—	—
Coal - C grade in KGs	—	158	141
Others (Specify)	—	—	—

FORM - B

(See rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT (R&D)

RESEARCH AND DEVELOPMENT (R & D)

- Specific areas in which R & D carried out by the Company

During the year under review, the efforts particularly in the area of technological upgradation of ladle refractories are being made.
- Benefits derived as a result of the above R & D

The main benefits derived as a result of above Research and Development are to obtain the value additions to products in terms of increased number of heats from the products and consequently obtaining the incremental bonus from the customers like Bhilai and Vizag Steel Plants in proportion to number of heats guaranteed to them.
- Future Plan of action

The Company has planned to direct its efforts to further increase the number of heats to 40 and 35 in case of BSP and VSP respectively. The efforts of the Company are directed towards development of Basic Refractories.
- Expenditure on R & D

Approximately an amount of Rs.7.00 lacs was already spent during the year 1995-96 and further, the Company has earmarked an amount of Rs.10.00 lacs for the year 1996 - 97 for development of aforesaid products as value added products.