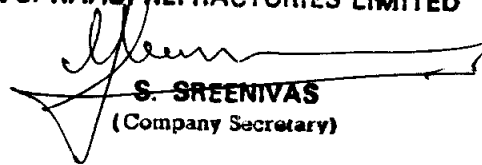


19th
Annual Report
2000 - 2001

CERTIFIED TRUE COPY
For RAASI REFRACTORIES LIMITED


S. SREENIVAS
(Company Secretary)

For RAASI REFRACTORIES LIMITED



RAASI REFRACTORIES LIMITED


RAASI REFRACTORIES LIMITED
BOARD OF DIRECTORS

SRI M.RAVINDRA VARMA	Chairman
SRI A.K.SINGH	Executive Director
SRI R.VARADARAJAN	Director
SRI K.S.N.RAJU	Director
SRI R.KUNJITHAPATHAM	Director
SRI P.V.S.R.MURTHY	Director
DR. ASHOKE BANERJEE	Director
SRI A.V.S.S.RAJU	Director

AUDIT COMMITTEE

SRI P.V.S.R.MURTHY	Chairman
SRI M.RAVINDRA VARMA	Director
SRI R.KUNJITHAPATHAM	Director
DR. ASHOKE BANERJEE	Director

SHAREHOLDERS / INVESTORS
GRIEVANCE COMMITTEE

SRI M.RAVINDRA VARMA	Chairman
SRI R.KUNJITHAPATHAM	Director
SRI A.V.S.S.RAJU	Director
DR. ASHOKE BANERJEE	Director

COMPANY SECRETARY

SRI S.SREENIVAS

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

Flat No's 403 & 404,
Shobhanadri, H.No.7-1-69/1/25,
Dharamkaran Road,Ameerpet,
Hyderabad - 500 016

FACTORY

Lakshmipuram
Narketpally, Nalgonda District
ANDHRA PRADESH - 508 254.

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RAASI REFRACTORIES LIMITED
NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING OF THE COMPANY

NOTICE is hereby given that the NINETEENTH ANNUAL GENERAL MEETING of the members of RAASI REFRACTORIES LIMITED will be held on **Wednesday, the 26th day of September, 2001 at 11.00 A.M.** at Bharatiya Vidya Bhavan, Kulpati Munshi Sadan, 5-9-1105, Basheer Bagh, King Kotl Road, Hyderabad - 500 029 to transact the following items of business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2001 and Profit & Loss Account for the Financial Year ended on that date and Report of the Directors' and Auditors' thereon.
2. To appoint a Director in the Place of Sri P.V.S.R.Murthy who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the Place of Sri K.S.N.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. APPOINTMENT OF DIRECTOR

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

"RESOLVED THAT" notice of intention to propose Sri.A.V.S.S.Raju for appointment as a Director having been received in writing from a member of the Company under section 257 of the Companies Act, 1956, Sri.A.V.S.S.Raju who was appointed as Additional Director of the

Company and who holds office upto the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company subject to retirement by rotation under the Articles of Association of the Company.

6. APPOINTMENT OF DIRECTOR

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

"RESOLVED THAT" notice of intention to propose Sri.R.Varadarajan for appointment as a Director having been received in writing from a member of the Company under section 257 of the Companies Act, 1956, Sri.R.Varadarajan who was appointed as Additional Director of the Company and who holds office upto the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company subject to retirement by rotation under the Articles of Association of the Company.

7. ALTERATION OF ARTICLES OF ASSOCIATION OF THE COMPANY.

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

"RESOLVED THAT" pursuant to section 31 and other applicable provisions, if any, of the Companies Act, 1956, consent of the members of the company be and is hereby accorded for effecting alteration in the articles of association of the company in the following manner:

BY INSERTING NEW ARTICLE 3.c) AFTER EXISTING ARTICLE 3(b)

- 3 .c) Subject to the provisions of Section 86 of the Act, the Company shall have the power to issue equity shares with voting rights or with differential rights as to dividend, voting or otherwise in accordance with such rules and subject to such conditions as may be prescribed from time to time. In accordance with the provisions of the said section the Company


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shall have the power to issue preference shares in accordance with such rules/ conditions / guidelines as may be prescribed from time to time. The Company shall also have the right to issue shares in any denomination in due compliance of the relevant provisions of the Act and applicable rules and regulations for the time being in force.

EXISTING ARTICLE 4 BE SUBSTITUTED AS FOLLOWS:

4. Subject to the provisions of these Articles and of the Act, the shares (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons in such proportion, on such terms and conditions and at such times as the Directors think fit subject to the sanction of the Company in general meeting by special resolution and with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Sections 78, 79 & 79A of the Act) at a premium or at par or at a discount and such option being exercisable for such time and for such consideration as the Board thinks fit, provided that option or right to call on shares shall not be given to any person except with the sanction of the company in general meeting and where at any time it is proposed to increase the subscribed capital of the company by the allotment of further shares, then subject to the provisions of Section 81 (1A) of the Act, the Board shall issue such shares in the manner set out in Section 81 (1) of the Act, save that if any persons shall exercise the right to renounce all or any other shares offered to him in favour of any other person the Board shall have right to accept or subject, without assigning any reason therefor, any such person in whose favour the said renunciation shall be made either in respect of any of the shares included in renunciation. The Board shall cause to file the returns as to allotment as provided in Section 75 of the Act.

BY INSERTING NEW ARTICLE 5 A AFTER EXISTING ARTICLE 5

- 5 A The Company shall have the right to issue securities through the employee stock option scheme in accordance with the provisions of the Act, Rules, Regulations, Guidelines, etc., as may be prescribed /issued by various authorities concerned from time to time.

BY INSERTING NEW ARTICLE 5 B AFTER INSERTED ARTICLE 5 A ABOVE

- 5 B The Company shall have the power to buy back/purchase its own securities and whenever any such power is to be exercised it shall comply with the relevant provisions of the act and the guidelines/regulations issued in this behalf by the authorities concerned from time to time.

EXISTING ARTICLE 15 BE SUBSTITUTED AS FOLLOWS:

15. The Shares or Debentures or other interest of any members in a company shall be movable property, transferable in the manner provided in the Articles.

BY RE-NUMBERING THE EXISTING ARTICLE 15 STATED BELOW AS 15 A:

- 15 A. In registering transfer and transmission of shares, the Company shall comply with the provisions of sections 108, 110, 111, 112 and 250 of the Act or any statutory modifications thereof.

EXISTING ARTICLE 16.c) BE SUBSTITUTED AS FOLLOWS:

- 16 . c) Subject to the provisions of section 111 and 111 A of the Act or any statutory modification of the said provisions for the time being in force, the Board of directors may, at their own absolute and uncontrolled discretion and without assigning any reason, decline to register any transfer of shares to a person of whom they do not approve notwithstanding that the proposed transferee is already a member of the Company and may also decline to register any transfer of shares on which the Company has a lien. The directors


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may decline to recognise any instrument of transfer unless it is accompanied by the certificate of shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.

The registration of a transfer shall be conclusive evidence of the approval of the directors of the transferee. Provided that the registration of a transfer shall not be refused on the ground of transferor being, either singly or jointly with any other person or persons, indebted to the Company on any account whatsoever except a lien. If the Company refuses to register the transfer of any share or transmission of any right therein the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company send notice of refusal to the transferee and transferor or the person giving intimation of the transmission, as the case may be, and thereupon the provisions of Section 111 & 111 A of the Act or any statutory modification of the said provisions for the time being in force shall apply.

THE ENTIRE EXISTING ARTICLE 17 BE SUBSTITUTED AS FOLLOWS:

17. In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of deceased joint holder from any liability on shares held by him jointly with any other person.

The executors or administrators of a deceased member or the holder of a Succession Certificate in respect of the shares of a deceased member (not being one or two or more joint holders) shall be the only persons whom the Company will be bound to recognise as having any title to the share registered in the name of such member and the Company shall not be bound to recognise such executors

or administrators or holders unless such executors, administrators or holders shall have first obtained Probate or letters of administration or Succession Certificate, as the case may be from a duly constituted Court in India PROVIDED THAT the directors may, at their absolute discretion, dispense with production of probate, letter of administration or succession certificate upon such terms as to indemnity or otherwise as they think fit and may enter the name of the person who claims to be absolutely entitled to the shares standing in the name of the deceased members, as a member. The Company shall not charge any fee for registration of any power of attorney, probate, letter of administration or similar document.

- (a) Every holder of shares in, or holder of debentures of, a company may, at any time, nominate, in the prescribed manner as per the Act, a person to whom his shares in, or debentures of, the company shall vest in the event of his death.
- (b) Where the shares in, or debentures of, a company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the company shall vest in the event of death of all the joint holders.
- (c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in, or debentures of, the company where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the company, the nominee shall, on the death of the shareholder or holder of debentures of the company or, as the case may be, on the death of the joint holders become entitled to all the rights in the shares or debentures of the company or, as the case may be, all the joint holders, in relation to such shares in, or debentures of the company to the


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exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

- (d) Where the nominee is a minor, it shall be lawful for the holder of the shares, or holder of debentures, to make the nomination to appoint in the prescribed manner any person to become entitled to shares in or debentures of the company, in the event of his death, during the minority.
- (e) Any person who becomes a nominee by virtue of the provisions of section 109A of the Act, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-
- a) to be registered himself as holder of the share or debenture, as the case may be; or
- b) to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debenture holder, as the case may be, could have made.
- (f) If the person being a nominee, so becoming entitled, elects to be registered as holder of the share or debenture, himself as the case may be, he shall deliver or send to the company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder, as the case may be.
- (g) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were a transfer signed by that shareholder or debenture holder, as the case may be.
- (h) A person, being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled

to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture except that he shall not, before being registered a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with.

- (i) The directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in the case of a transfer of shares presented for registration.
- (j) Every transmission of a share shall be verified in such manner as the directors may require, and the company may refuse to register any such transmission until the same be so verified, or until or unless and indemnity be given to the Company with regard to such registration which the Board at their discretion shall consider sufficient. Provided nevertheless that there shall not be any obligation on the company or the Board to accept any indemnity.
- (k) The company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purported to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares, notwithstanding that the company may have had notice of such equitable right, title or interest or notice prohibiting


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registration of such transfer, and may have entered such notice or referred to it any book, or attended or given effect to any notice which may have been given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do though it may have been entered or referred to in some book of the company, but the company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the directors shall so think fit.

The provisions in said Article 17 shall apply mutatis mutandis to transfer and transmission of debentures, (wherever provisions concerning such transfer or transmission of debentures appear in the Articles) as if the words "share", "shareholder" and Register of Members had been substituted in these regulations by the words "Debentures", Debenture Holders", and Register of Debenture Holders".

BY INSERTION OF NEW ARTICLE 17A AFTER INSERTED ARTICLE 17

17A. The company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the company may have had notice of such equitable rights or referred thereto in any books of the company and the company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title to interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the company but the company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

BY INSERTION OF NEW ARTICLE 17B AFTER INSERTED ARTICLE 17 A
DEMATERIALIZATION OF SECURITIES

17B. a. For the purposes of this Article:

"Depositories Act" means the Depositories Act, 1996 including any statutory modifications or reenactment thereof for the time being in force.

"Depository" means a Company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under Sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

"Bye-laws" means made by a Depository under Section 26 of the Depositories Act.

"Beneficial Owner" means a person whose name is recorded as such with a Depository.

"Member" means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as a Beneficial Owner in the records of the Depository.

"Participant" means a person registered as such under Section 12(1A) of the Securities and Exchange Board of India Act, 1992.

"Record" includes the records maintained in the form of books or stores in Computer or in such other form as may be determined by regulations made by Securities and Exchange Board of India (SEBI) in relation to the Depositories Act.

"Regulations" means the regulations made by SEBI.

"Security" means such security as may be specified by SEBI.

Words imparting the singular number only include the plural number and vice versa.

Words imparting persons include corporations.

Words and expressions used and not defined in the Act but defined in the Depositories Act, shall have the same meanings respectively assigned to them in that Act and vice-versa.



- b. Subject to relevant provisions of the Act, Rules, Regulations, Guidelines as may be prescribed by various authorities from time to time, either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the right and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or re-enactment thereof.
- c. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in the Depositories and / or offer fresh securities in a dematerialised form pursuant to the provisions of the Act & Depositories Act, and the rules framed thereunder, if any.
- d. Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository.
- If a person opts to hold his security with Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottees as a Beneficial Owner of the Security.
- e. All Securities held by a Depository shall be dematerialised and be in fungible form and shall be dealt with in accordance with the Provisions of the Act or Depositories Act as amended from time to time or these articles.
- f. i) Notwithstanding anything to the contrary contained in the Act, or any other law for the time being in force or these Articles, a Depository shall be deemed to be registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.
- ii) Save as otherwise provided in (i) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the security held by it.
- iii) Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of Securities shall be entitled to all the rights and benefits and subject to all the liabilities in respect of his securities which are held by a Depository.
- g. Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, by the Board shall be entitled at their sole discretion to register any share in the joint name of any two or more persons, or the survivors of them.
- h. Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be


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specified by the Bye-laws and the Company in that behalf.

- i. Upon receipt of certificate of Securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.

- j. If a Beneficial Owner seeks to opt out a Depository in respect of any security, the Beneficiary shall inform the Company.

The Depository shall on receipt of information as above make appropriate entries in its records and shall inform the Company.

The Company shall within thirty(30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

- k. Notwithstanding anything contained in the act, or any other law for the time being in force or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

- l. Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien or shares, forfeiture of shares and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares in physical form as per the Act subject to the provisions of the Depositories Act.

- m. Notwithstanding anything contained in the Act, or any other law for the time being in force or these Articles where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

- n. The shares in the capital shall be numbered progressively according to their several denominations provided, however, that the provisions relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner here in before mentioned, no share shall be subdivided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

- o. The Company shall cause to keep a Register and index of members and Register and Index of Debenture holders in accordance with Section 151 and 152 of the Act respectively, and the Depositories Act, with details of shares and debentures held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, shall be deemed to be Register and Index of Members and Register and Index of Debenture holders, as the case may be, for the purpose of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of members resident in that state or country subject to relevant provisions


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of the Act and any other applicable laws for the time being in force.

BY INSERTION OF NEW ARTICLE 17 C AFTER INSERTED ARTICLE 17 B

17C The Company may issue share warrants subject to and in accordance with, the provisions of Sections 114 and 115 of the Act and accordingly the Board may, in its discretion, with respect to any share which is fully paid up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time, require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a warrant.

- a) The bearer of the share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right to sign a requisition for calling a meeting of the Company, and of attending and voting and exercising other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name was inserted in the Register of Members as the holder of the shares included in the deposited warrant.
- b) Not more than one person shall be recognised as the depositor of the share warrant.
- c) The Company shall, on two days written notice, return the deposited share warrant to the depositor.
- d) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notices from the Company.
- e) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages if he were

named in the Register of Members as the holder of the shares included in the warrant, and he shall be a member of the Company.

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

ENTIRE EXISTING ARTICLE 19 BE SUBSTITUTED BY INSERTION OF FOLLOWING ARTICLES :

19. a) The Company shall have the power to issue debentures to public or on private placement basis in accordance with the provisions of the Act and concerned rules/regulations /guidelines as may be prescribed from time to time.
- b) Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise in the nature of non-convertible / partly convertible and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meetings, appointment of directors and otherwise. Debentures as stated shall be issued in accordance with the relevant provisions of the Act and the regulations prescribed / Guidelines issued by the SEBI from time to time.

Such debentures, debenture-stock bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Any Trust Deed for securing debentures or debenture stock may if so arranged provide for the appointment from time to time by the trustee thereof or by the holders of debentures or debenture-stock of some person to be a Director of the Company and may empower such trustee or holders of debentures or debenture