

27th
ANNUAL REPORT
2008 -2009



RAASI REFRACTORIES LIMITED

BOARD OF DIRECTORS

- | | |
|------------------------------|---------------------|
| 1. Sri. Ashok Kumar Agarwal | Executive Chairman |
| 2. Sri Sanjay Agarwal | Director |
| 3. Sri. Muralidhar Agarwal | Director |
| 4. Sri. Mahesh Kumar Agarwal | Director |
| 5. Sri. Natwar Lath | Director |
| 6. Sri. R.C. Biswas | Director-Operations |
| 7. Sri. Pramod Kumar Agarwal | Director |
| 8. Sri. Kirit D. Sanghvi | Director |

AUDIT COMMITTEE

- | | |
|-----------------------------|----------|
| 1. Sri. Muralidhar Agarwal | Chairman |
| 2. Sri. Natwar lath | Member |
| 3. Sri Pramod Kumar Agarwal | Member |

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

- | | |
|----------------------------|----------|
| 1. Sri. Muralidhar Agarwal | Chairman |
| 2. Sri. Natwar Lath | Member |
| 3. Sri Sanjay Agarwal | Member |

REMUNERATION COMMITTEE

- | | |
|----------------------------|----------|
| 1. Sri. Muralidhar Agarwal | Chairman |
| 2. Sri. Natwar Lath | Member |
| 3. Sri. Kirit D. Sanghvi | Member |

AUDITORS

S.R.B & Associates
Chartered Accountants
2A, Druvatara Apartments,
Behind Medinova Hospital,
Somajiguda, Hyderabad-500082

BANKERS

State Bank of India
Commercial Branch
Bank Street, Koti,
Hyderabad – 500 095

State Bank of Bikaner & Jaipur
R P Road,
Secunderabad – 500 003

State Bank of Hyderabad
Industrial Finance Branch
Punjagutta, Hyderabad – 500 082

Andhra Bank
Ashok Nagar Branch
Hyderabad – 500 020

Registered Office	6-3-349/20, Alpha Business Centre, IInd Floor, Road No.1, Banjara Hills, Hyderabad-500 034 E-mail: marketing@raasi.in
Factory	Lakshmipuram, Narketpally, Nalgonda District, Andhra Pradesh-508 254
Registrars & Transfer Agent	Aarthi Consultants Private Limited 1-2-285, Domalguda, Hyderabad Tel No. 91-40-2763 8111, 2763 4445 Fax No. 91-40-2763 2184 Website : www.aarthiconsultants.com
Listing	The Hyderabad Stock Exchange, Bombay Stock Exchange Limited
Annual General Meeting	Date : 24th September, 2009 Time : 11.00 A.M. Venue : Bhaskara Auditorium B.M. Birla Science Centre, Adarshnagar, Hyderabad - 500 063.
Book Closure	18th September 2009 to 24th September 2009

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NOTICE

Notice is hereby given that the **Twenty Seventh Annual General Meeting** of the members of Raasi Refractories Limited will be held on Thursday, the 24th day of September, 2009 at 11:00 am at Bhaskara Auditorium, B.M. Birla Science Centre, Adarsh Nagar, Hyderabad 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 2009, and the Profit and Loss Account for the Financial Year ended on that date and the reports of the Directors' and Auditors' thereon.
2. To consider the appointment of Sri Pramod Kumar Agarwal who retires by rotation and being eligible offers himself for reappointment.
3. To consider the appointment of Sri. Kirit D. Sanghavi who retires by rotation and being eligible offers himself for reappointment
4. To appoint Auditors and fix their remuneration.

To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

"RESOLVED THAT M/S SRB & Associates, Chartered Accountants, Hyderabad, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to 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. To consider and, if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution

"RESOLVED THAT pursuant to the provisions of Section 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification or re-enactment thereof, approval of the members of the Company be and is hereby accorded to the appointment of Sri. Ashok Kumar Agarwal as the Executive Chairman of the Company, entrusting him with Executive and Managerial powers, for a period of three years with effect from 15th September, 2009 on non remuneration basis"

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any Statutory modification or re-enactment thereof, that may hereafter be made by the Central Government from time to time), and such other approvals if any, as may be required, consent of the shareholders of the Company be and is hereby accorded for the appointment of Sri. R.C Biswas as Director-Operations of the Company, for a period of three years with effect from 30th August 2009 on the following terms and conditions including remuneration, which shall not exceed the limits specified in Schedule XIII of the Companies Act 1956 (including any Statutory modification or re-enactment thereof, that may hereafter be made by the Central Government from time to time)"

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do such other acts, deeds and things as may be necessary, proper or expedient to give effect to this Resolution"

A. REMUNERATION:

Salary: Rs. 35000/-

B. PERQUISITES AND ALLOWANCES

- a) In addition to the salary and commission, Mr. R. C Biswas, Director- Operations shall also be entitled to the following perquisites and allowances

The Company shall provide its own accommodation (furnished or otherwise) together with utilities such as electricity, water, society charges or rented house (furnished or otherwise)/ house rent allowance, together with house maintenance allowance and said utilities as the case may be at the discretion of the Board of Directors

Other perquisites and allowances like medical, leave travel concession, provident fund, gratuity shall be in accordance with the rules of the Company

The Company shall provide car together with running and maintenance expenses at such amount as may be decided by the Board from time to time

The Company shall provide mobile and telephone at residence for effective communication and expenses shall be reimbursed by the Company at such amount as may be decided by the Board

Such perquisites and allowances shall be subject to a maximum of 50% of the annual salary.

- b) For the purpose of calculating the above ceilings, perquisites and allowance shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost. Provision of Company's accommodation telephones and use of the Company's cars shall not be included in the computation of perquisites for the purpose of calculating the aforesaid ceilings. Gratuity payable as per the rules of the Company and encashment of leave at

the end of the tenure shall not be included in the computation of limits for the remuneration of perquisites aforesaid

C. COMMISSION

Such remuneration by way of commission in addition to the salary, perquisites and allowances, calculated of 0.3% on net profits of the Company in a particular financial year or such percentage as may be determined by the Board, subject to the overall ceilings stipulated in the Companies Act, 1956. The commission payable to the Director (Operations) will be determined at the end of each financial year and will be payable annually after the annual accounts have been approved by the Board of Directors and adopted by the Shareholders.

D. MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein contained, in the event of loss or inadequacy of profits during any financial year, in the aforesaid period, the Company will pay remuneration by way of salary, perquisites and allowances and incentive remuneration as specified above.

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

Date: 17.08.2009

Place: Hyderabad

Ashok Kumar Agarwal
Executive Chairman

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and vote instead of him. The Proxy need not be a member of the company. The instrument appointing should however be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. Members holding shares in Dematerialized mode are requested to intimate the changes with respect to their bank details, mandate, nomination, power of attorney, change of address, change in name etc., to their Depository Participant.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the board resolution authorizing their representatives to attend and vote on their behalf in the meeting.
4. Shareholders having multiple folio numbers either in individual names or in joint names of the same order should intimate RTA/DP's so as to enable them to consolidate such folios into one folio.
5. Members are requested to bring their copy of the Annual Report to the meeting.
6. Register of members of the Company and Share Transfer Books will remain closed from 18th September, 2009 to 24th September, 2009 (both days inclusive)
7. Members desiring any information as regards accounts are requested to write to the Company at least seven days before the date of the meeting to enable the management to keep the information ready at the meeting.
8. Members attending the meeting are requested to complete and bring the attendance slips enclosed with the annual report and hand over the same at entrance of the meeting hall, duly signed
9. Re-appointment of Directors
Sri Pramod Kumar Agarwal and Sri Kirit D Sanghvi, Directors of the company retire by rotation at the ensuing Annual General Meeting, and being eligible offer themselves for re-appointment.

The information or details to be provided for the aforesaid directors under Corporate Governance code are as under:

Sri Pramod Kumar Agarwal aged 33 years is a Graduate in Commerce. He has rich experience in Management and Administration. He has a good exposure in the area of Refractory and Steel Industry.

Sri. Kirit D Sanghvi aged about 59 years is a Bachelor of Commerce has a post Graduate Diploma in Management Studies from North-Staffordshire Polytechnic, U.K. He has been involved in International business and his exposure to refractory market in India and abroad is very wide.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISION OF SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 5**

The Board of Directors of the Company at their meeting held on 12th August-2009 re-appointed Sri. Ashok Kumar Agarwal as an Executive Chairman of the Company on non remuneration basis, entrusting him with Executive and Managerial powers, for a period of three (3) years commencing from 15th September, 2009

Sri Ashok Kumar Agarwal aged 47 years, has more than 17 years of experience in Iron and Steel business. He is acquainted with the refractory industry for the last 15 years. Sri Ashok Kumar Agarwal is instrumental in foundation and development of Sarvesh Refractory Limited an ISO Company based at Rourkela. He has successfully revived and restructured the company from a sick unit to one of the top ten Refractory manufacturers of India.

He is currently the Managing Director of Sarvesh Refractory Limited. He is also a Director in Sree Metaliks Limited, based in Barbil, Orissa.

In view of the expertise of Sri Ashok Kumar Agarwal, it would be in the interest of the Company that he be re-appointed as the Executive Chairman of the Company.

Your Directors, therefore, recommend the resolution for your approval.

None of the Directors except Sri Ashok Kumar Agarwal is concerned or interested in the resolution.

member of Indian Institute of Ceramics (F.I.I.Cera). He has a vast experience of over four decades in Application and manufacturing of Refractories. He has been associated with Companies like Rourkela Steel Plant, Kesoram Refractories Ltd., IPI TATA Refractories Ltd., and Sarvesh Refractories Private Ltd. He is not a Director in any other Company.

In view of the expertise of Sri R. C. Biswas, it would be in the interest of the Company that he is re-appointed as the Director-Operations of the Company.

Your Directors, therefore, recommend the resolution for your approval.

None of the Directors except Sri R. C. Biswas, is concerned or interested in the resolution

By order of the Board
For **RAASI REFRATORIES LIMITED**

ITEM NO.6

The Board of Directors of the company at their meeting held on 12th August-2009 re-appointed Sri R.C. Biswas as the Director-Operations of the Company, for a period of three years with effect from 30th August 2009. He is entitled to remuneration by way of salary, commission, and perquisites in accordance with Part II of Schedule XIII of the Act.

Sri R.C. Biswas aged 63 years, is a Bachelor of Science in Ceramic Technology from University of Calcutta. He is a Fellow

Date: 17.08.2009
Place: Hyderabad

Ashok Kumar Agarwal
Executive Chairman

DIRECTORS' REPORT

Dear Members,

Your Directors present the Twenty Seventh Annual Report on the business and operations of the company and the audited statements of the accounts for the year ended 31st March 2009.

1. FINANCIAL RESULTS AND OPERATIONS:

The summarized financial results for the year ended 31st March 2009 as compared with the previous year is as under:-

	(Rs. In lakhs)	
	For the year 2008-09	For the year 2007-08
a. Sales & incentives (excluding excise & sales tax)	2957.38	3208.87
b. Profit before interest, depreciation and taxes	352.13	324.44
c. Interest	230.02	215.02
d. Depreciation	90.70	90.59
e. Profit before tax	31.41	18.83
f. Prior period adjustments (net)	0.00	8.84
g. Provision for taxation		
- Current	4.10	2.25
- Deferred	12.07	0
Provision for Fringe Benefit Tax	1.65	1.00
h. <u>Net profit/(loss)</u>	13.59	6.74

Your Company has achieved the gross turnover of Rs.2957.38 lakhs as against a turnover of Rs.3208.87 lakhs achieved during the previous financial year, reflecting a negative growth of 85% during the year in terms of value. The Company's export sales increased from Rs.20.62 lakhs to Rs.73.27 lakhs during the period under review.

The company has earned a Net Profit of Rs 13.59 lakhs as against Rs. 6.74 lakhs for the year under consideration registering an increase of 101.63% over the previous year, due to cost effective and quality control measures undertaken by the Company

2. PROMISES VS PERFORMANCE

During the financial year 2008-09, the Company has increased its operations and it anticipates that the business operations will further improve in near future. The Company has allotted 1,21,136 Equity Shares having face value of Rs.10/- each at a Par to IFCI Limited pursuant to loan conversion of outstanding interest term loan into Equity Shares, BSE has granted trading approval for the said equity shares vide its letter dated 25th November, 2008.

3. MARKETING

The service rendered by your company to the customers, continues to be the best in the industry which can be attributed to the perpetual strive of the service personnel for improvement.

4. DIRECTORS

At the ensuing Annual General Meeting Sri Pramod Kumar Agarwal and Sri Kirit D. Sanghavi, Directors of the Company retire by rotation and being eligible offers themselves for re-appointment in terms of Section 256 of the Companies Act, 1956.

Sri. Ashok Kumar Agarwal and Sri. R. C. Biswas, Directors of the Company were reappointed as the Executive Chairman of the Company and Director-Operations of the Company respectively at the meeting of Board of Directors held on 12th day of August, 2009.

None of the directors of the company are disqualified for being appointed as directors as specified in Section 274 of the Companies Act, 1956. Your Board of Directors recommend their reappointment.

5. DIRECTORS' RESPONSIBILITY STATEMENT

As per the requirements of section 217(2AA) of the Companies Act, 1956, in respect of the Director's responsibility statement, the Directors of the Company hereby confirm.

- a. That in the preparation of the accounts for the financial year ended 31st March, 2009; the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b. That the Directors have selected such accounting policies and applied them consistently and made judgment's and estimates that were reasonable and prudent so as to give a true and fair view of the financial year and of the profit of the Company for the year under review.
- c. That the Directors have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. That the Director's have prepared the accounts for the financial year ended 31st March, 2009 on a going concern basis.

6. AUDITORS

M/S SRB & Associates, Chartered Accountants, Auditors of the company hold office until the conclusion of the Twenty Seventh Annual General Meeting and are eligible for re-appointment.

7. FIXED DEPOSITS

The Company has not accepted any fixed deposits from the public within the meaning of section 58A of The Companies Act, 1956 and, as such no amount of principal or interest was outstanding as of the balance sheet date.

8. DIVIDENDS

No dividend was recommended by the Board of Directors for the year under review.

9. PARTICULARS OF EMPLOYEES

No employee of the company was in receipt of remuneration, which requires disclosure under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Particulars pursuant to the provisions of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988 are given in the Annexure-A

11. CORPORATE GOVERNANCE

A separate report on corporate governance along with the Auditors' certificate on its Compliance is attached to this report.

12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report has been included in adherence to the Exchange spirit enunciated in the code of corporate governance approved by the Securities and Exchange Board of India. Management presents herein the industry overview, opportunities and threats, initiatives by the Company and its overall

strategy for the future. This outlook is based on the assessment of current business environment, which may vary due to the future economic and other developments both in India and abroad.

(A) Industry Structure and Development:

Refractory is a class of materials which are produced from non-metallic minerals. They are the primary materials used in the internal lining of industrial furnaces and possess capability to withstand heat and pressure and are used in steel, aluminum, glass, cement, petrochemicals, non-ferrous metals, thermal power plants and ceramic industries. These are produced in Special Shapes and are Custom made to suit the requirements of the various industries.

The 3100 crore turnover Indian refractory industry comprises nearly 100 established units, including 10 large plants, 24 medium scale units and the rest being in the small scale sector. The Indian industry has an aggregate production capacity of 20 lac tonnes a year. The capacity utilization, however, presently stands at around 60% or 11.5-12 lac tonnes a year.

(B) Opportunities and threats:

Opportunities in the refractories industry: Refractories still have many areas in various sectors to enter in and it would be the monolithics & special products that would dominate the production in future. The best growth opportunities will continue to be found in less traditional end uses, such as waste- to - energy generation and restaurants, however with the small size of these markets means that their impact on aggregate refractory demand will be minimal. Refractory demand from other sectors is rising, apart from steel, demand is rising from

sponge iron and cement units too. Gains are also expected in the non-metallic mineral products spurred by growth in the production of ceramics, cement and other mineral products.

Threats in the refractories industry: Scarcity of raw materials is a problem for refractory makers across the globe. With the technological changes in the steel industry, the major thrust has been on economizing on the use of the materials and improving technology in each area of operation/process where refractories are being used. In general, it can be said that all these improvements have resulted in lowering specific consumption of refractories per tonne of steel.

(C) Segment or Product wise Performance:

Your company operates in only one business segment and one product viz., refractories. A brief of the different types of refractories manufactured by the company is given below:

Fire Clay: This is a low alumina refractory product and is manufactured by both small and big refractory plants beside many un-organized units. Hence the market for this product is highly competitive. The price of this product is low and does not require much technology. The company has a good brand image in this segment. During the year under review, this product account nearly 38% of the total sales of the company.

High Alumina: This is a high alumina refractory product and ranges from 45% to 98% alumina with varied application. The company has a good brand image in this segment and has performed well at Integrated Steel Plant last year as a result of which it has received additional orders for

the current year and is one of the major suppliers to RINL, JSW & SAIL Units. The Company has recently developed new products in this range for exports. During the year under review, this product has accounted nearly 27% of the total sales of the company.

Basic: This is a basic refractory product and comprises of Mag Carbon and Magnesite bricks. The company has good performance record in this category. The company has executed order in SAIL Units & RINL and has reasonable chances for improving its market share for this product. During the year under review, this product has accounted nearly 5% of the total sales of the company.

Silica: This is a quartzite based silica refractory product and is highly technology oriented. In India only two major units are into manufacturing this product. The company has stabilized the production process and has successfully executed the order from VSP. This year the company plans to enter into the coke oven sector of silica bricks and also manufacture dense and super dense quality for glass industry. The company is also expecting growth in exports. The company enjoys geographical advantage for procurement of raw material for manufacture of silica bricks. During the year under review, this product has contributed approx 20% of the total sales.

Monolithics: This is an unfired green refractory material. The quality of product ranges from 30 % to 90% alumina which is being used for varied purpose and applications like Sponge Furnace Kiln, Power Plants etc. Silica Ramming Mass for Induction furnace has been recently introduced in this section. During the year under review, this product has contributed approx 10% of the total sales.

(D) Outlook:

Refractories though poised for big growth have always remained squeezed between the raw-material suppliers and steel makers. However there is increasing scope for exports for Indian refractory industry especially in the European markets. Currently India exports around 10% of its production, but in the existing scenario this could double in the next three years. Indian products are sailing to European Union, Middle East, South Africa, Malaysia and Indonesia. World demand for refractories is forecast to rise 4% (including price increases) through 2012 to \$30 billion.

(E) Risks and Concerns:

The Industry is facing countless difficulties both in terms of increasing raw-material and other input costs as well as the availability, *further the negotiating power of the refractory makers is poor* mainly due to their size as it caters to the industries which are far bigger in sizes like aluminum, steel, cement etc. Being fully reliant on end user industries the refractories are currently encompassing the downward cycle, although it has not affected the growth rate at all, yet it is a matter of great concern. Sudden fall in demand from the end-user industries has also caused huge inventory pile-ups thereby pressurizing manufacturers to clean up stock piles at the prices decided by end users.

The Indian refractory industry is faced with severe competition within the country as well as with global players, mainly the Chinese manufacturers who have an advantage over India in terms of raw-material availability.

(F) Internal control system and their adequacy:

The Company strictly adheres to the internal control systems established over the years. The Company has a policy of maintaining effective internal control system and strict

implementation of policies and procedures so as to safe guard the assets and interests of the company. The Company has an audit committee consisting of Independent Directors of the Company. The internal control systems of the Company are implemented with a view to achieve good ethical culture in the organization. The internal control systems of the Company would ensure that any vulnerability in the achievement of the Company's objectives caused by risk factors whether internal or external, existing or emerging, is detected and reported in a timely manner and is meted out with appropriate corrective action. The findings of internal audit are periodically placed before the Audit committee and the Board of directors of the Company.

(G) Discussion on financial performance with respect to operational performance:

Your Company has achieved the gross turnover of Rs.2957.38 lakhs as against a turnover of Rs.3208.87 lakhs achieved during the previous financial year. Review. The Company has earned a Net Profit of Rs 13.59 lakhs as against Rs. 6.74 lakhs for the year under consideration registering an increase of 101.63% over the previous year.

(H) Material developments in Human Resources/Industrial Relations front, including number of people employed

It is your Company's belief that the competence and commitment of its people are key drivers of competitive advantage enabling the Company to compete successfully in the market place. As at 31st March, 2009 the company has about 182 employees working in its factory and various offices. Your Company endeavors to strengthen organizational culture in order to attract and retain the best talent and bring out the best in people.

Cautionary Statement:

Statements in the management discussion and analysis describing the company's objectives, projections, estimates, expectations may be considered to be forward looking statements. Actual results could differ materially from those expressed or implied. Factors which could make a significant difference to the company's operations include demand supply conditions, market prices, input component costs and availability, changes in government regulations and tax laws besides other factors such as litigation, over which the Company may not have any control.

CERTIFICATE

The company has obtained a Compliance Certificate in accordance with the provisions of Section 383-A of Companies Act 1956. The Certificate is attached hereto.

ACKNOWLEDGEMENT

Your Directors wish to place on record the sincere thanks for the co-operation and support received from various agencies of the Central and State Government and also from the company's bankers State Bank of India, State Bank of Hyderabad, State Bank of Bikaner & Jaipur and Andhra Bank and also IFCI.

Your Directors also take this opportunity to place on record their appreciation of the dedication and sense of commitment shown by the employees at all levels and their contribution towards the performance of the company.

For and on behalf of the Board
For **RAASI REFRACTORIES LIMITED**

Date: 17.08.2009
Place: Hyderabad

Ashok Kumar Agarwal
Executive 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)

Form for disclosure of particulars with respect to conservation of energy, technology absorption, research and development.

	2008-09	2007-08
A Power and Fuel consumption		
1 Electricity		
a) Purchased		
i) Unit(kwh)	1526647	1853889
ii) Total Amount(Rs.)	6224324	7582683
iii) Rate/unit (Rs.)	4.08	4.09
b) Own Generation		
I) Through diesel generator		
i) Unit(kwh)	108108	19080
ii) Units per ltr.of diesel oil.	2.73	2.73
iii) Cost / unit (Rs.)	13.16	12.29
II) Through steam turbine/generator	Not Applicable	
i) Units		
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 (M.tonnes)	3906	4407
ii) Total Cost (Rs.)	16401370	13828299
iii) Average rate (Rs.)	4199	3138
3 Furnace oil		
i) Quantity (ltrs.)	9800	2233
ii) Total Amount (Rs.)	347060	53899
iii) Average Rate (Rs.)	35.41	24.14
4 Others /internal generation	Not Applicable	
i) Quantity		
ii) Total Cost (Rs.)		
iii) Rate/Unit(Rs.)		
B Consumption per unit of production		
	Standards	
Products- Refractory all types (in M.T.)	2008-09	2007-08
Electricity (Units)	13594	20831
Furnace oil in ltrs	112.30	89.00
Coal – C grade in KGs	0.72	0.12
Others (Specify)	287	212
	NA	NA

Form B

(See rule 2)

Form for disclosure of particulars with respect to Technology Absorption, Research and Development

- | | |
|--|---|
| 1. Specific areas in which R & D | The company has made significant improvement in carried by the Company developing following products : <ol style="list-style-type: none"> 1. Super dense quality calcined clay. 2. Synthethic Raw Material. 3. Dense quality mag chrome brick. |
| 2. Benefits derived as a result of the above R & D | The main benefits derived as a result of above research & development is that the company was able to procure orders to meet the domestic and international market. |
| 3. Future Plan of action | R&D work for techno-economic raw material composition, continuous up gradation of processes and development of new products as per market demand. The company is also mainly concentrating on development of Cement rotary kiln bricks with 70% alumina. The Company has also upgraded its existing laboratory facilities to achieve improved results in respect of supply of its products. |
| 4. Expenditure on R & D | Approximately an amount of Rs 8 lakhs has been incurred during the year 2008-2009 for development of products as stated above. |

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATIONS:

- | | |
|---|---|
| 1. Efforts, in brief, made towards technology absorption and innovation | The entire manufacturing technology is indigenous. The company has trained its staff in all the operations. Several new products and compositions were developed which is expected to keep the company competitive. Efforts are being made to enter into entire area concerning silica coke oven Refractories |
| 2. Benefits derived as result of the above efforts, e.g. product improvement, Cost reduction, product development and import substitution, etc. | The efforts were made to gain product development, product improvement, cost reduction and import substitution etc., |

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year.) following information may be furnished.

(a) Technology imported

(b) Year of import

Not Applicable

(c) Has technology been fully absorbed?

(d) If not fully absorbed, areas where this has not taken place, reasons therefore, and future plans of action.1

Foreign Exchange Earnings and Outgo:

(a) Activities relating to Exports

The company is participating in global tenders in various countries and have obtained the orders from the following parties:

EGYPTIAN IRON & STEEL CO.

Steps have also been taken to enter into African, and other Middle East Countries Market.

The products of the Company are well accepted by the foreign buyers. The Company has exported to the extent of Rs.73.26 Lacs in the financial year 2008-2009. The company is taking initiatives to increase exports and develop new export markets for its products and services.

b) Total Foreign Exchange used and earned		2008-2009	2007-2008
i	Earnings:		
	Export of finished goods	USD \$ 143181.40	55966.00
		INR Rs. 7000899.00	2193172.00
		EURO • 38105.00	0
		INR Rs. 1868288.00	0
ii	Outgo :		
	Import of raw materials	USD \$ 0	\$ 0
		INR Rs. 0	0
	Import of Machinery	EURO • 0	0
		INR Rs. 0	0
	Bank charges	USD \$ 75.00	0
		INR Rs. 3677.00	0
	Export guarantee	USD \$ 0	0
		INR Rs. 0	1721930.00
	Foreign Travel	USD \$ 8600.00	0
		INR Rs. 339714.00	0

COMPLIANCE CERTIFICATE

Company Number: 03339

Nominal Capital: Rs. 15,00,00,000 (Rupees Fifteen Crores Only)

To

The Members

RAASI REFRATORIES LIMITED

6-3-349/20, Alpha Business Centre, 2nd Floor,

Road No. 1, Banjara Hills,

Hyderabad-500034

I have examined the registers, records, books and papers of M/s. **RAASI REFRATORIES LIMITED, HYDERABAD** (the "company") as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2009 (i.e. from 1st April, 2008 to 31st March, 2009). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, or any other authorities within the prescribed under the Act and the rules made there under.
3. The company being a Public Limited Company comments relating to
 - (a) Maximum number of members excluding its present and past employees
 - (b) subscription of its shares and debentures by the public and
 - (c) Invitation and acceptance of deposits from persons other than its members, directors or their relatives are not applicable.
4. The Board of Director duly met 9 times on 16.06.08, 30.06.08, 31.07.08, 17.09.08, 04.10.08, 31.10.08, 15.12.08, 31.01.09 and 30.03.09 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company closed its Register of Members or Debenture holders from 20th September 2008 to 25th September 2008 and necessary compliance of section 154 of the Act has been made, during the year.
6. The annual general meeting for the financial year ended on 31st March 2008 was held on 25th September, 2008 after giving due notice to the members of the company and other concerned and the resolutions passed thereat were duly recorded in the Minutes Book maintained by the company.

7. No Extra Ordinary general meeting was held during the financial year under review.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has entered into a contract falling within the purview of Section 297 of the Companies Act, 1956, with M/s. Rourkela Minerals Co. Private Limited for purchase and sale of goods amounting to Rupees 16,11,410 (Rupees Sixteen Lakhs Eleven thousands Four Hundred and ten only). The Company has complied with the provisions of the Act but is yet to obtain the approval of the Central Government, though it has entered into the Contract.
10. The Company has made necessary entries in the register maintained under section 301 (3) of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company was not required to obtain any approvals from the Board of directors, members and central government.
12. The Board of Directors has approved the issue of 6(Six only) duplicate share certificates during the year under review.
13. The company has:
 - (i) Delivered all the certificates on allotment of securities and on lodgement thereof for allotment/ transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - (ii) The Company has not deposited any amount in a Separate Bank Account as no dividend was declared during the financial Year.
 - (iii) The Company was not required to post warrants to any member(s) of the Company as no dividend was declared during the Financial Year.
 - (iv) Matters relating to transfer to the unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued there on etc are not applicable.
 - (v) The Company has 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 additional directors, alternate directors and directors to fill casual vacancy during the year under review.
15. The company has not appointed Managing Director or Whole Time Director or Manager during the financial year.
16. The company has not appointed any sole-selling agents during the financial year.
17. a) The company was required to obtain the approval of the Regional Director under the provisions of section 297 of the Companies Act; however the approval of the Regional Director is yet to be obtained
b) Listing and Trading approval was granted by Bombay Stock Exchange on 28th April and 22nd July 2008 respectively for preferential allotment of 6,50,000 Equity made by the Company.

- c) Further the company has made an allotment of 1,21,136 Equity shares to IFCI pursuant to conversion of funded interest on term loan and In-principle approval was granted by the Bombay Stock Exchange on 30th September 2008
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 there under.
 19. The company has issued 1,21,136 Equity Shares during the financial year and complied with the provisions of the Act.
 20. The company has not made any buy back of shares during the financial year.
 21. There being no Preference Share Capital in the Company there was no redemption of preference shares or debentures during the financial year.
 22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
 24. The amount borrowed by the company from financial institutions, banks during the financial year ended 31st March 2009, is within borrowing limits of the company. The excess of borrowing over paid up capital and free reserves includes temporary loans obtained from the company's bankers in the ordinary course of business.
 25. The company has made loans and investments or given guarantee or provided securities to other bodies corporate in compliance with the provisions of the Act.
 26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under review.
 27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under review.
 28. The company has not altered the provisions of the memorandum with respect to name of the Company during the year under review.
 29. The company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under review.
 30. The company has not altered the provisions of its articles of association with respect to the share capital of the company during the year under review.
 31. There was no prosecution initiated against or show cause notices received by the company for alleged offences under the Act and also the fines and penalties or any other punishment imposed on the company during the financial year.
 32. The company has not received any money as security from its employees during the financial year.
 33. The company has not constituted Provident Fund for its employees and as such, section 418 of the Act is not applicable to the company.

For BPK & Associates

PLACE: HYDERABAD

DATE: 17.08.2009

B. Pavan Kumar

C.P. No. 4774

ANNEXURE - I.
Registers to be maintained by the Company under the provisions of the Companies Act, 1956:

- 1) Register of Members u/s 150.
- 2) Minutes Book of the Meeting of Directors u/s 193.
- 3) Minutes Book of the proceedings of General Meetings' u/s 193.
- 4) Books of Accounts u/s 209.
- 5) Register of Contracts and Particulars in which Directors are interested under Section 301
- 6) Register of Directors, Managing Director, Manager, and Company Secretary u/s 303.
- 7) Register of Directors' Shareholdings u/s 307.
- 8) Register of Directors' Attendance.
- 9) Register of Shareholders' Attendance.
- 10) Register of Charges.
- 11) Register of Duplicate Share Certificates.

ANNEXURE - II

- (1) Forms and returns as filed by the Company with the Registrar of Companies, Andhra Pradesh, Hyderabad during the financial year ending 31st March, 2009.

Sl. No.	Form No/ Return	Filed u/s	Description	Date of Filing	Filed within prescribed time or not Yes / No	Whether additional fee paid for delay
1	Form 17	138	Satisfaction of charge	18-12-2008	Yes	No
2	Form 2	75(1)	Allotment of shares	06-10-2008	Yes	No
3	Annual Return SCH-5	159&160	Annual Return in connection with the Annual General Meeting held on 25-09-2008	27-09-2008	Yes	No
4	Balance Sheet SCH-6	220	Annual Accounts laid and adopted by members in Annual General Meeting held on 25.09.2008	27-09-2008	Yes	No

- 2) Forms and Returns filed with Bombay Stock Exchange and other Authorities during the year ended 31-03-2009:
 - (a) Listing and Trading approval was granted by Bombay Stock Exchange on 28th April, and 22nd July 2008 respectively for preferential allotment of 6,50,000 Equity made by the Company.
 - (b) Further the company has made an allotment of 1,21,136 Equity shares to IFCI pursuant to conversion of outstanding and In principle approval was granted by the Bombay Stock Exchange on 30th September 2008.
 - (c) The Listing and Trading approval for 1,21,136 Equity shares taken from Bombay Stock Exchange was received on 3rd November 2008 and 26th November 2008 respectively.

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of Listing Agreement with Stock Exchanges)

1. A brief statement on Company's philosophy on code of Governance

Corporate governance aims to meet the shareholders aspirations and social expectations. It is a commitment backed by the fundamental belief of maximizing shareholder value, transparency in functioning, values and mutual trust among all the constituents of the organization. It is not a discipline imposed by a regulator, rather a culture that guides the Board, management and employees to function towards the best interest of the stakeholders.

In our Company, Corporate Governance philosophy stems from our belief that Corporate Governance is a key element in improving efficiency and growth as well as enhancing investor confidence.

2. Board of Directors

Presently Board of Directors of the Company comprises of 8 Directors. The company has an Executive Chairman and the number of independent Directors is half of the total number of Directors. The number of Non-Executive directors is more than 50% of the total number of Directors.

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees across all the companies in which he is a Director.

The names and categories of all the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting and also the number of Directorships and committee memberships held by them in other companies are given below:

Sl. No.	Name	Category	No. of Board Meetings attended 2008-09	Whether attended previous AGM held on 25.09.08	No. of Directorship in other Companies	No. of Committee Position in other companies		Remarks
						Member	Chairman	
1.	Sri Ashok Kumar Kumar Agarwal	Promoter & Executive Chairman	8	Yes	9	Nil	Nil	
2.	Sri Sanjay Agarwal	Promoter & Non-Executive	7	Yes	3	Nil	Nil	
3.	Sri Muralidhar Agarwal	Independent & Non-Executive	8	No	4	Nil	Nil	
4.	Sri Mahesh Kumar Agarwal	Promoter & Non-Executive	6	No	5	Nil	Nil	
5.	Sri Natwar Lath	Independent & Non-Executive	7	Yes	2	Nil	Nil	
6.	Sri R.C. Biswas	Non-Independent & Executive	9	Yes	Nil	Nil	Nil	
7.	Sri Pramod Kumar Agarwal	Independent & Non-Executive	7	Yes	4	Nil	Nil	
8.	Sri Kirit D. Sanghavi	Independent & Non-Executive	7	No	3	Nil	Nil	

Nine (9) Board Meetings were held during the year 2008-09 and the gap between 2 meetings did not exceed 4 months. The dates on which the Board Meetings held were 16th June 2008, 30th June 2008, 31st July 2008, 17th September-2008, 4th October 2008, 31st October 2008, 15th December 2008, 31st January 2009 and 30th March 2009.

3. Audit Committee

3.1 Primary Objective

The primary objective of the audit committee of the company aims to monitor and provide effective supervision to management's financial reporting process with a view to ensure, accurate, timely and proper disclosures, and transparency, integrity and quality of financial reporting.

3.2 Responsibility

To provide an avenue of communication between the auditors and the board and to meet atleast four times in a year on frequent basis. The audit committee may ask members of the management or others to attend meetings and provide pertinent information as necessary. The committee has established such procedures for receiving, retaining and treating complaints received by the company regarding accounting, internal accounting controls of concerns regarding questionable accounting matters and report to the management periodically on significant results of the foregoing activities.

3.3 Audit committee for the year 31st March 2009

The Board of Directors has constituted the Audit Committee at their meeting held on 20th October 2000. The committee was subsequently re-structured and presently comprised of 3 non-executive Directors viz., Sri Muralidhar Agarwal, Sri Natwar Lath and Sri. R. C. Biswas. Sri Muralidhar Agarwal is the Chairman of the Committee. During the year 2008-09 the Audit Committee met 5 times on 09th April 2008, 30th June 2008, 31st July 2008, 31st October 2008, 31st January 2009.

3.4 Attendance

The attendance of the members of the Committee is given below:

Name of the Member	No. of meetings attended during the year 2008-09	Remarks
Sri. Muralidhar Agarwal	5	
Sri. Natwar Lath	4	
Sri Pramod Kumar Agarwal	4	

Sri. Muralidhar Agarwal with vast experience in business and finance is the Chairman of the Audit Committee. The role and terms of reference to the Audit Committee covers areas mentioned under Clause 49 (d) of the Listing agreement, besides other terms as may be referred by the Board of Directors. The meetings of the Audit Committee were attended by Internal Auditor and Finance Manager. The Statutory Auditors of the Company are invited for the meetings as and when required.

4. Remuneration Committee
Purpose

The Company has constituted a Remuneration committee on 30th April 2003 in terms of schedule XIII of the Companies Act, 1956 read with clause 49 of the Listing Agreement. Presently the Remuneration Committee comprises of Sri Muralidhar Agarwal, Sri Natwar Lath and Sri. Kirit D. Sanghvi. Sri Muralidhar Agarwal is the Chairman of the Remuneration Committee. The broad terms of reference of the remuneration committee are to approve/recommend to the Board the salary (including annual increments) perquisites and commission including pension rights & any compensation payment to be paid to the company's Managing/Whole-Time-Directors. There was no remuneration committee meeting held during the year.

Remuneration Policy: The Company while deciding the remuneration package of the management takes into consideration the employment scenario, remuneration package of the industry, financial performance of the company and talents of the appointee. None of the Directors are entitled to sitting fees. No Director other than Sri. R.C. Biswas, the Director Operations is paid any remuneration.

Details of remuneration/sitting fees paid to the Directors for the year ended 2008-09 are given below.

Name	Sitting fee Rs.	Salary, Perquisites and allowance Rs.	Stock Options Rs.
Sri Ashok Kumar Agarwal	-----	NA	Nil
Sri Sanjay Agarwal	-----	NA	Nil
Sri Muralidhar Agarwal	-----	NA	Nil
Sri Mahesh Kumar Agarwal	-----	NA	Nil
Sri Natwar lath	-----	NA	Nil
Sri R.C. Biswas	-----	4,70,400	Nil
Sri. Pramod Kumar Agarwal	-----	NA	Nil
Sri. Kirit D. Sanghvi	-----	NA	Nil

5. Shareholders'/Investor's Grievance Committee

The Shareholders/Investor's Grievance Committee presently comprises Sri Muralidhar Agarwal, Sri Natwar Lath and Sri Sanjay Agarwal.

The committee inter alia approves issue of duplicate certificates, oversees and reviews all matters connected with the securities transfer. The committee also looks into redressal of Shareholders' complaints/requests like transfer of shares, non-receipt of balance sheet, change of address, revalidation of dividend warrants etc. The committee periodically evaluates the performance of the Registrar and Share Transfer agents and recommends measures for improvement in the quality of investor services.

The company did not receive any complaints/requests (other than request for transfer and demat) during the year under review. There were no outstanding complaints as on 31st March 2009. All the valid requests for transfer of shares were considered for transfer. There were no share transfers pending as on 31.03.2009.

Shareholders'/Investor's Grievance Committee for the year ended 31st March 2009

During the year 2008-09 the Shareholders/Investors Grievance Committee met 14 times on 15th April 2008, 30th April 2008, 15th May 2008, 31st May 2008, 16th June 2008, 31st July 2008, 30th August 2008, 25th September 2008, 15th October 2008, 31st October 2008, 1st December 2008, 15th December 2008, 14th February 2009 and 31st March 2009.

Attendance:-

Name of the Member	No. of meetings attended during the year 2008-09
Sri Muralidhar Agarwal	14
Sri Natwar Lath	13
Sri Sanjay Agarwal	13

6. Chief Executive Officer (CEO) and CFO Certification

A Certificate from Sri Ashok Kumar Agarwal, the Executive Chairman of the Company, and Sri Sistla Subrahmanya Sastry, Chief Financial Officer of the Company on the Financial Statements and Cash Flow statements for the year under review, was placed before the Board of Directors at their meeting held on 30th June, 2009.

7. General Body Meetings

Location & Time of Last 3 Annual General Meetings:

Year	Venue	Date and Time	Special Resolution passed and relevant section of the Companies Act, 1956
2007-08	Bhaskara Auditorium, B.M. Birla Science Centre, Adarsh Nagar, Hyderabad- 500 063.	25-09-2008 at 11.00 A.M.	<ol style="list-style-type: none"> 1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2008, and the Profit and Loss Account for the Financial Year ended on that date and the reports of the Directors' and Auditors' thereon. 2. To consider the appointment of Sri Mahesh Kumar Agarwal who retires by rotation and being eligible offers himself for reappointment. 3. To consider the appointment of Sri. Muralidhar Agarwal who retires by rotation and being eligible offers himself for reappointment 4. To appoint Auditors and fix their remuneration.
2006-07	Bhaskara Auditorium, B.M. Birla Science Centre, Adarsh Nagar, Hyderabad- 500 063.	27-09-2007 at 11: 00 A.M.	<ol style="list-style-type: none"> 1. Appointment of Shri Ashok Kumar Agarwal as the Executive Chairman of the Company (Section 198, 269 and 309 read with Schedule XIII) 2. Appointment of Shri. R. C. Biswas as the Director-Operations of the Company (Section 198, 269 and 309 read with Schedule XIII) 3. Appointment of Shri. Pramod Kumar Agarwal as the Director of the Company. (Section 257) 4. Appointment of Shri. Kirit D. Sanghavi as the Director of the Company. (Section 257)
2005-06	Bhaskara Auditorium, B.M. Birla Science Centre, Adarsh Nagar, Hyderabad- 500 063.	15-09-2006 at 11: 00 A.M.	None

8. Postal Ballot

There is no special or ordinary resolution proposed, which needs to be passed by way of Postal Ballot at the ensuing Annual General Meeting

9. Disclosures:

During the year 2008-09, the company had no materially significant related transactions which are considered to have a potential conflict with the interest of the company at large. The disclosures as regard to related party transactions are disclosed in the notes to accounts. None of the transactions with any of the related parties were in conflict with the interests of the company.

There were no instances of non-compliances, penalties, strictures imposed on the company by the stock exchanges, or any other statutory authority on any matter relating to the capital markets during the last three (3) years.

10. Means of Communication

The quarterly, half yearly and annual results are generally published by the company in Financial Express (English Edition) and Andhra Prabha (Telugu Edition). The same results are sent to the stock exchanges as per Listing Agreement. The results are not posted on the company's website which is under preparation. The company is unable to upload the results and shareholding pattern and annual report on SEBI's website under EDIFAR due to lack of completion of formalities.

11. Management Discussion and Analysis Report:

Information on Management Discussion and Analysis is given in the Directors' report

12. Compliance with non-mandatory requirements**12.1 Remuneration committee**

The Board has set up a remuneration committee details whereof are furnished at Sr. No. 4 of this report.

12.2 Shareholder rights

The quarterly financial results including summary of significant events of relevant period of six months are published in newspapers.

12.3 Audit qualifications

Strategic decisions were taken during the year resulting in unqualified financial statements of the company.

However, the Company does not have a Whistle Blower policy and a programme for Training of Board members.

13. General Shareholders Information**a. 27th Annual General Meeting**

Date and Time : Thursday, the 24th September, 2009 at 11.00 A.M

Venue : B.M Birla Science Centre, Adarsh Nagar, Hyderabad-500 063

As required under clause 49VI(A) of the listing agreement, particulars of Directors seeking appointment/reappointment are given in the notes to the notice of the Annual General Meeting to be held on 24th Day of September 2009.

- b. Financial Calendar (tentative)
- Financial Year : 1st April to 31st March
- First Quarter Results : July, 2009
- Second Quarter results and half yearly results : October 2009
- Third Quarter result : January 2010
- Last Quarter Results/ Audited Results : April 2010/ June 2010
- c. Dates of Books Closure : 18th September 2009 to 24th September 2009
- d. Dividend payment date : Not applicable
- e. Listing on Stock Exchanges
- The Company's securities are listed on : The Hyderabad Stock Exchange Limited (Stock Code-RRL) Bombay Stock Exchange Limited (Stock Code- 502271)
- f. ISIN Numbers in NSDL & CDSL for Equity Shares : INE858D01017
- g. Listing Fee : The Company has paid its annual Listing fees to each of the above Stock exchanges for the financial Year 2008-09
- h. Market Price Data : High/Low price quotation in each Month of the last financial year 2008-09 on the stock exchange Mumbai is given below. There is no trading in the Hyderabad stock Exchange, hence no quotation for the year 2008-09

Month	High (Rs.)	Low (Rs.)
April 2008	24.45	16.45
May 2008	22.25	17.35
June 2008	20.45	13.25
July 2008	20.35	13.05
August 2008	20.50	14.38
September 2008	21.00	18.55
October 2008	18.50	17.20
November 2008	17.00	14.30
December 2008	14.90	11.00
January 2009	16.00	10.58
February 2009	17.55	16.00
March 2009	17.50	13.95

Source: www.bseindia.com

i. Registrars and Transfers Agents (RTA)

Aarthi Consultants (P) Ltd.

1-2-285, Domalguda,

Hyderabad- 500 029

Share transfers and communications regarding share certificates, change of address, etc., must be forwarded to the RTA.

j. Share Transfer System

Presently share transfers that are received in physical form are processed within 15 days from the date of receipt, subject to the documents being valid and complete in all respects and are dispatched to the shareholders within 30 days from the date of receipt.

k. Distribution of shareholding as on 31st March 2009.

S.No.	Category			No. of Cases	% of Cases	Shares No.	Amount Rs.	% of Amount
1.	1	--	5000	5833	95.78	549798	5497980.00	11.62
2.	5001	--	10000	123	2.02	101454	1014540.00	2.09
3.	10001	--	20000	61	1.00	93869	938690.00	1.98
4.	20001	--	30000	19	0.32	50811	508110.00	1.03
5.	30001	--	40000	15	0.25	48892	488920.00	1.11
6.	40001	--	50000	7	0.11	38937	389370.00	0.74
7.	50001	--	100000	13	0.21	70632	706320.00	1.95
8.	100001	&	Above	19	0.31	3758743	37587430.00	79.48
	Total			6090	100.00	4713136	47131360.00	100.00

Shareholding Pattern as on 31st March, 2009

Category	No. of Shares held	Percentage of Shareholding
Promoters holding		
1. Promoters		
Indian Promoters	2387220	50.65
Foreign Promoters	_____	_____
2. Persons acting in concert	_____	_____
Sub Total	2387220	50.65
Non- Promoters Holding		
3. Institutional Investors		
a. Mutual funds and UTI	_____	_____
b. Banks, Financial Institutions, Insurance Companies(Central/ State Gov. Institutions/Non-Government Institutions)	219911	4.67
c. FI'S	_____	_____
Sub-Total	219911	4.67
4. Others		
a. Private Corporate Bodies	1027459	21.8
b. Indian Public	1070295	22.71
c. NRIs/OCBs	8244	0.17
d. Any other-Trust	_____	_____
e. Clearing Members	7	0
Sub-Total	2106005	44.68
Grand Total	4713136	100

I. De-materialization of shares and liquidity

Trading in Equity shares of the Company is permitted only in dematerialized form as per notification issued by SEBI. Dematerialization of shares is done through Aarthi Consultants Private Limited and on an average the dematerialization process is completed within a period of 10 days from receipt of a valid demat request along with all documents.

m. Outstanding ADRs/GDRs/

Not applicable

Warrants or any convertible instruments, conversion date and likely impact on equity

n. Plant Locations

The Company's plant is located at:
Lakshmipuram, Narketpally,
Nalgonda District, Andhra Pradesh-508.254

o. Address for Correspondence

Raasi Refractories Limited
6-3-349/20, Alpha Business Centre
IInd Floor, Road No.1, Banjara Hills
Hyderabad-500 034
Ph: 040-65510588, 65511347

p. Investor Correspondence

*For transfer in physical form
Aarthi Consultants (P) Ltd
1-2-285, Domaiguda,
Hyderabad-500 029

* For Shares in Demat form
To the Depository Participant

For and on behalf of the Board
For **RAASI REFRACTORIES LIMITED**

Date: 17.08.2009
Place: Hyderabad

Ashok Kumar Agarwal
Executive Chairman

R. C. Biswas
Director-Operations

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

To

The Members of Raasi Refractories Limited

I, **Ashok Kumar Agarwal**, Executive Chairman of Raasi Refractories Limited declare that to the best of my knowledge and belief, all the Members of the Board and Senior Management personnel of the Company have affirmed their respective compliance with the applicable Code of Conduct for the Year ended 31st March, 2009.

for Raasi Refractories Limited

Place: Hyderabad
Date: 17.08.2009

Ashok Kumar Agarwal
Executive Chairman

EXECUTIVE CHAIRMAN (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION:

We, Ashok Kumar Agarwal, Executive Chairman and Sistla Subrahmanya Sastry, Chief Financial Officer of Raasi Refractories Limited to the best of our knowledge and belief certify that:

1. We have reviewed the balance Sheet and Profit and Loss Account and all its schedules and notes on accounts as well as the Cash Flow Statements for the year ended March 31, 2009.
2. Based on our knowledge and information,
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement in the light of the circumstances under which the statement were made, not misleading with respect to the statements made.
 - (ii) these statements together present a true and fair view of the company's affairs, the financial conditions, results of operations and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
4. We accept the responsibility for establishing and maintaining internal controls for financial reporting for the company and we have:
 - (i) designed such disclosure controls and procedures to ensure that material information relating to the company, during the period in which this report is being prepared.
 - (ii) designed such internal control system over financial reporting, or caused such internal control over financial reporting and the preparation of the financial statements for external purposes in accordance with the General Accepted Accounting Principles.
 - (iii) Evaluated the effectiveness of the Company's disclosure, controls and procedures.
5. We have indicated to the Company's auditors and the Audit committee of the Company that during the year:
 - (i) there are no significant changes in internal control over financial reporting;
 - (ii) there are no significant changes in accounting policies; and
 - (iii) there are no instances of significant fraud of which they have been aware, whether or not material that involves management or other employees having significant role in the company's internal control system over financial reporting.
6. We affirm that we have not denied any personnel, access to the audit committee of the company and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.

Date: 17.08.2009
Place: Hyderabad

Ashok Kumar Agarwal
Executive Chairman

Sistla Subrahmanya Sastry
Chief Financial Officer

AUDITORS REPORT ON CORPORATE GOVERNANCE

To The Members of Raasi Refractories Limited

We have examined the compliance of Corporate Governance by Raasi Refractories Limited for the year ended 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of condition of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance; it is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned listing agreement.

We state that no investor grievances were pending for the year under review against the company as certified by the Registrars & Transfer Agents of the company, based on the records maintained by them.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 17.08.2009

Place: Hyderabad

For **SRB & ASSOCIATES**

Chartered Accountants

T. LAKSHMINARAYANA

Partner

Membership No. 14674

AUDITORS REPORT:

To

The Members of

**RAASI REFRACOTORIES LIMITED,
HYDERABAD**

1. We have audited the attached Balance sheet of **RAASI REFRACOTORIES LIMITED** as at 31st March 2009 and the related profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on 31st March 2009, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached there to give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 09;
 - (ii) in the case of the Profit & Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **SRB & ASSOCIATES**
Chartered Accountants

T. LAKSHMINARAYANA
Partner
Membership No:14674

Date: 17.08.2009
Place: Hyderabad

ANNEXURE TO AUDITOR'S REPORT

(Referred to in paragraph 3 of the Auditors' Report of even date to the members of RAASI REFRACTORIES LIMITED on the financial statement for the year ended 31st March, 2009)

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) Fixed assets are physically verified by the management according to a phased programme designed to cover all the fixed assets once a year, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed.
 - (c) In our opinion and according to the information and explanations given to us, no substantial part of fixed assets has been disposed off by the Company during the year.
2. (a) The inventory has been physically verified by the management during the year-end. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material.
3. According to information and explanations given to us:
 - (a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956.
 - (b) The company has taken the following unsecured loans from companies covered in the register maintained under section 301 of the Companies Act 1956 .
 - (i) Unsecured loan taken from M/s Sarvesh Refractories Ltd in the earlier years with interest @1% per annum and the outstanding balance as on the balance sheet date is Rs 403.43lakhs as against the outstanding balance of Rs 400.33lakhs at the end of previous year.
 - (ii) Unsecured interest free loan taken from M/s Sarvesh Refractory Ltd during the current year Rs. 100.00 lakhs for investment purpose.
4. In our opinion and according to the information and explanation given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.

5. (a) In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanation given to us, there are no transactions made in pursuance of such contracts or arrangements and exceeding Rs. five lakhs in respect of any party during the year, which have been made at prices which are not reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. According to information and explanation given to us the Central Government has not prescribed maintenance of cost records for the company as required under Section 209 (1) (d) of the Companies Act, 1956.
9. (a) According to the information and explanations given to us and records of the company examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues in respect of income tax, sales tax, customs duty, excise duty, cess with the appropriate authorities
- (b) The following undisputed statutory liabilities are outstanding for more than 6 months as on the balance sheet date.
 Service Tax - Rs. 10,41,785.00
 Provident Fund- Rs. 2,26,065.00
- (c) According to the information and explanations given to us the following statutory dues are disputed and have not been paid..
- (i) Income tax of Rs.64,07,674/- for the year F.Y 2005-06, Demand made by Dy Commissioner Of Income Tax and the appeal pending before The Commissioner of Income Tax(Appeals) –IV, Hyderabad.
- (ii) Sales tax of Rs. 24,99,538 for the year 2004-05, Demand made by The Asst. Commissioner (CT), Nalgonda and the appeal pending before the Appellate Deputy Commissioner (CT) Hyderabad, Rural Division.
10. The company has no accumulated losses as at 31st March, 2009 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. As per the information and explanations given to us and the records verified by us, No repayments of principal or interest have been made in case of the following financial institutions:

Particulars	Principal amount Rs.	Interest Rs.	Period due from
Term loan from GIC	3,43,750	5,29,354	01.04.1999
Term loan from NIA	2,57,812	3,98,828	01.04.1999
Term loan from UIIC	2,51,625	3,87,700	01.04.1999

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short – term basis have been used for long – term investment of the company.
17. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The company has not issued any debentures and hence, the provisions of clause 4(xix) of the companies (Auditor Report) Order 2003 are not applicable.
20. The company has not raised any money by public issues during the year hence, the provisions of clause 4(xix) of the companies (Auditor Report) Order 2003 are not applicable.
21. The Company has allotted 1,21,136 Equity Shares having face value of Rs.10/- each at a Par to IFCI Limited pursuant to loan conversion of outstanding interest on term loan into Equity Shares.
22. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For **SRB & ASSOCIATES**
Chartered Accountants

Date: 17.08.2009
Place: Hyderabad

T. LAKSHMINARAYANA
Partner
Membership No.14674

Balance Sheet as on 31st March 2009

Particulars	Schedule	AS AT March 31,2009 Rs.	AS AT March 31,2008 Rs.
I Sources of Funds			
1 Shareholders' Funds			
Share Capital	A	47,131,360	45,920,000
Reserves and Surplus	B	24,214,437	25,081,164
2 Loan Funds			
Secured Loans	C	117,777,228	132,049,146
Unsecured Loans	D	50,342,903	40,250,352
3 Deferred Tax Liability		9,575,804	8,368,514
Total		249,041,732	251,669,176
II Application of funds			
1 Fixed Assets			
Gross Block	E	214,479,754	181,503,283
Less: Depreciation		100,146,893	91,077,024
Net Block		114,332,861	90,426,259
Capital Work in progress		294,418	23,011,108
		114,627,279	113,437,367
2 Investment(Unquoted, at Cost)		9,845,000	-
3 Current Assets, Loans & advances			
Inventories	F	74,134,422	77,767,975
Sundry Debtors	G	75,690,777	77,672,638
Cash and Bank Balances	H	11,904,534	7,884,968
Loans and Advances	I	18,601,874	18,976,687
		180,331,607	182,302,268
Less: Current Liabilities & Provisions			
Liabilities	J	48,147,247	34,932,058
Provisions	K	7,624,785	9,158,157
Net Current Assets		124,559,575	138,212,053
4 Miscellaneous Expenditure to the extent not written off	L	9,878	19,756
Total		249,041,732	251,669,176

Significant Accounting Policies and Notes on Accounts U

As per our report of even date

For SRB & ASSOCIATES

Chartered Accountants

T.Lakshminarayana

Partner

Membership No.14674

Ashok Kumar Agarwal

Executive Chairman

for and on Behalf of the Board
for Raasi Refractories Limited

R.C. Biswas

Director-Operations

Place : Hyderabad

Date : 17.08.2009

Profit and Loss Account for the year ended 31st March 2009

Particulars	Schedule	AS AT March 31,2009 Rs.	AS AT March 31,2008 Rs.
I INCOME			
(a) Sales	M	34,31,31,880	38,65,98,390
(b) Other Income	N	67,22,444	70,87,712
(c) Increase/(Decrease) in value of Stock	O	(4,500,026)	(6,688,448)
Total		34,53,54,298	38,69,97,654
II EXPENDITURE			
(a) Raw materials consumed		18,28,81,254	21,84,02,363
(b) Stores & Spares consumed		41,46,154	54,17,882
(c) Power & Fuel	P	2,43,95,690	2,16,99,410
(d) Other Manufacturing Expenses		87,50,674	68,65,209
(e) Employees Remuneration & Benefits	Q	2,15,12,566	1,75,21,889
(f) Repairs and Maintenance	R	41,40,220	14,33,522
(g) Administrative and Other Expenses	S	1,69,19,887	1,75,01,762
(h) Excise Duty		3,70,85,678	5,26,22,626
(i) Sales Tax		1,03,08,784	1,30,88,839
Total		31,01,40,908	35,45,53,502
III Profit before interest, depreciation and taxes		3,52,13,390	3,24,44,152
Interest & Financial Expenses	T	2,30,02,418	2,15,01,688
Depreciation	E	90,69,869	90,59,343
IV Profit/(Loss) before Tax		31,41,103	18,83,121
Prior period adjustment (Exp)		-	8,84,282
Tax Expenses:			
Current Tax		4,10,000	2,25,000
Deferred Tax		12,07,290	-
Provision for FBT		1,65,000	1,00,000
V Net profit/(Loss)		13,58,813	6,73,839
Brought forward profit/(loss)		66,50,721	59,76,882
Tax Short Provision for earlier Year		(2,225,539)	-
VI Profit/(Loss) carried to balance sheet		57,83,994	66,50,721

Significant Accounting Policies and Notes on Accounts U

As per our report of even date

For SRB & ASSOCIATES

Chartered Accountants

for and on Behalf of the Board
for Raasi Refractories Limited

T.Lakshminarayana
 Partner

Ashok Kumar Agarwal
 Executive Chairman

R.C. Biswas
 Director-Operations

Membership No.14674
Place : Hyderabad
Date : 17.08.2009

Schedules to the Balance Sheet and Profit & Loss Account

Particulars	AS AT March 31, 2009 Rs.	AS AT March 31, 2008 Rs.
Schedule A		
Share Capital		
Authorised		
1,50,00,000 Equity Shares of Rs. 10/- each	150,000,000	150,000,000
	<u>150,000,000</u>	<u>150,000,000</u>
Issued, Subscribed & Paid-up		
47,13,136 (PY 45,92,000) Equity Shares of Rs. 10/- each	47,131,360	45,920,000
(1,21,136 Equity Shares issued during the year to IFCI pursuant to conversion of funded interest on term loan)		
	<u>47,131,360</u>	<u>45,920,000</u>
Schedule B		
Reserves & Surplus		
Central Subsidy	1,500,000	1,500,000
Forfeiture of shares	30,443	30,443
Share Premium	16,900,000	16,900,000
Profit & Loss Account	5,783,994	6,650,721
Total	<u>24,214,437</u>	<u>25,081,164</u>
Schedule C		
Secured Loans		
Term Loans		
Industrial Finance Corporation of India (IFCI)	-	4,539,664
General Insurance Corporation of India (GIC)	343,750	343,750
The New India Assurance Company Limited (NIA)	257,813	257,813
United India Insurance Company Limited (UIIC)	251,625	251,625
TERM LOANS FROM BANKS		
SBBJ	6,108,122	8,113,099
SBI	13,312,465	18,851,640
Interest Accrued & Due	1,315,882	1,546,305
Cash Credit From Banks	96,187,571	98,145,250
Total	<u>117,777,228</u>	<u>132,049,146</u>
Schedule D		
Unsecured Loans		
From Body Corporate	50,342,903	40,033,285
Others	-	217,067
Total	<u>50,342,903</u>	<u>40,250,352</u>

SCHEDULE 'E'
FIXED ASSETS

Sl. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		AS AT 31/3/2008	ADDITIONS ADJUST DURING THE YEAR	DEDUC/ ADJUST DURING THE YEAR	TOTAL UPTO 31/03/2009	UPTO 31/3/2008	FORTHE YEAR	TOTAL UPTO 31/03/2009	AS AT 31/3/2009	AS AT 31/03/2008
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	LAND & SITE DEVELOPMENT	24,44,792	-	-	24,44,792	-	-	-	24,44,792	24,44,792
2	BUILDINGS FACTORY	33,37,181	14,977,787	-	1,83,14,968	16,37,483	1,12,833	17,50,316	1,65,64,652	16,99,698
3	BUILDINGS OTHERS	1,19,89,056	81,85,209	-	2,01,74,265	34,23,725	1,95,788	36,19,513	1,65,54,753	85,65,331
4	PLANT & MACHINERY	14,80,57,150	97,47,112	-	15,78,04,262	8,12,31,604	78,21,008	8,90,52,612	6,87,51,650	6,68,25,546
5	FURNITURE & FIXTURES	21,44,625	-	-	21,44,625	10,39,490	1,35,755	11,75,245	9,69,380	11,05,135
6	OFFICE EQUIPMENT	13,85,177	66,363	-	14,51,540	8,33,930	89,567	9,23,497	5,28,043	5,51,247
7	LAB EQUIPMENT	88,08,978	-	-	88,08,978	15,85,467	4,65,114	20,50,581	67,58,397	72,23,511
8	WATER SYSTEMS	8,53,179	-	-	8,53,179	1,79,510	13,907	1,93,417	6,59,762	6,73,669
9	VEHICLES	24,83,145	-	-	24,83,145	11,45,815	2,35,899	13,81,714	11,01,431	13,37,330
	SUB TOTAL	18,15,03,283	3,29,76,471	-	21,44,79,754	9,10,77,024	90,69,869	10,01,46,893	11,43,32,861	9,04,26,259
10	CAPITAL WORK-IN-PROGRESS	2,30,11,108	1,00,96,143	32,812,833	2,94,418	-	-	-	2,94,418	2,30,11,108
	TOTAL	20,45,14,391	4,30,72,614	32,812,833	21,47,74,172	9,10,77,024	90,69,869	10,01,46,893	11,46,27,279	11,34,37,367
	FIGURES FOR PREV. YEAR	18,74,15,650	1,70,98,741	-	20,45,14,391	8,20,17,681	90,59,343	9,10,77,024	11,34,37,367	105,397,969

Schedules to the Balance Sheet and Profit & Loss Account

Particulars	AS AT March 31,2009 Rs.	AS AT March 31,2008 Rs.
Schedule F		
Inventories		
Finished Goods	6,495,604	12,223,259
Work-in-progress	13,064,593	11,836,964
Raw Materials	42,441,252	47,577,612
Stores & Spares	4,618,102	5,204,337
Coal	1,106,112	891,750
Furnace Oil	54,263	34,053
Stock in Transit	6,354,496	-
Total	74,134,422	77,767,975
Schedule G		
Sundry Debtors(Unsecured, Considered good, Net)		
Debts outstanding for a period exceeding 6 months	7,007,396	3,579,805
Others	68,683,381	74,092,833
Total	75,690,777	77,672,638
Schedule H		
Cash & Bank balances		
Cash & Stamps on hand	906,955	1,256,998
Balance in current accounts	2,313,793	356,603
Balance with Scheduled Banks in Margin money accounts	8,683,786	6,271,367
Total	11,904,534	7,884,968
Schedule I		
Other current assets, loans & advances (Unsecured & Considered good)		
Trade advances	7,526,918	7,526,918
Claims receivable	539,841	1,244,885
Income Tax paid (TDS)	234,749	250,375
Advances to Sales Tax	1,835,321	35,206
Advances to Staff	1,076,942	779,758
Earnest Money Deposit	1,321,651	1,136,161
Prepaid Expenses	3,750	10,417
Other Advances & Deposits	6,062,702	7,992,967
Total	18,601,874	18,976,687

Schedules to the Balance Sheet and Profit & Loss Account

Particulars	AS AT March 31,2009 Rs.	AS AT March 31,2008 Rs.
Schedule J		
Current Liabilities		
(Including Liabilities for Capital Works)		
Liabilities		
Sundry Creditors(Net)		
Micro & Small Enterprises	73,537	80,976
Other than Micro & Small Enterprises	32,317,988	21,887,188
Other Liabilities	12,916,406	10,601,004
Duties & Tax Payable	2,839,316	2,219,524
Interest & Commitment charges accrued but not due	-	143,366
Total	<u>48,147,247</u>	<u>34,932,058</u>
Schedule K		
Provisions		
Provision for gratuity	6,189,974	6,356,194
Provision for Income Tax	1,434,811	2,801,963
Total	<u>7,624,785</u>	<u>9,158,157</u>
Schedule L		
Miscellaneous Expenditure to the extent not written off		
Deferred Revenue Expenses		
Software package	9,878	19,756
Total	<u>9,878</u>	<u>19,756</u>
Schedule M		
Sales		
Export Sales	7,326,554	2,061,583
Domestic Sales	334,244,990	383,314,355
Self Consumption	1,560,336	1,222,452
Total	<u>343,131,880</u>	<u>386,598,390</u>
Schedule N		
Other Income		
Interest received	4,77,986	2,05,587
Sale of Scrap	33,30,327	55,38,911
Gain /(Loss) on Forex Rate	1,132,017	-
Other Misc Income	1,782,114	1,343,214
Total	<u>6,722,444</u>	<u>7,087,712</u>

Schedules to the Balance Sheet and Profit & Loss Account

Particulars	AS AT March 31,2009 Rs.	AS AT March 31,2008 Rs.
Schedule O		
Increase/(Decrease) in value of stock		
Work-in-progress		
Opening Stock	11,836,964	10,372,233
Closing Stock	13,064,593	11,836,964
	<u>1,227,629</u>	<u>1,464,731</u>
Finished Goods		
Opening Stock	12,223,259	20,376,438
Closing Stock	6,495,604	12,223,259
	<u>(5,727,655)</u>	<u>(8,153,179)</u>
Increase/(Decrease) in value of stock	<u>(4,500,026)</u>	<u>(6,688,448)</u>
Schedule P		
Power & Fuel		
Power	7,647,260	7,817,212
Fuel	16,748,430	13,882,198
Total	<u>24,395,690</u>	<u>21,699,410</u>
Schedule Q		
Employees Remuneration & Benefits		
Salaries & Wages	16,455,518	11,278,197
Other Benefits	4,572,047	4,711,868
Gratuity	485,001	1,531,824
Total	<u>21,512,566</u>	<u>17,521,889</u>
Schedule R		
Repairs & Maintenance		
Buildings	-	1,800
Vehicles	516,187	498,031
Plant & Machinery	3,302,896	689,584
Others	321,137	244,107
Total	<u>4,140,220</u>	<u>1,433,522</u>

Schedules to the Balance Sheet and Profit & Loss Account

Particulars	AS AT March 31,2009 Rs.	AS AT March 31,2008 Rs.
Schedule S		
Administrative & Other Expenses		
Rent Rates & Taxes	1,632,759	1,828,222
Printing & Stationery	199,391	237,198
Postage, Telegrams, Telephones	562,346	642,899
Directors Travelling expenses	218,757	381,461
Travelling Expenses Staff	1,081,997	1,566,832
Directors Remuneration	470,400	470,400
Share Issue expenses	-	100,000
Insurance	289,170	393,452
Administrative Expenses	1,543,089	1,668,048
Statutory Audit Fee	150,000	150,000
Donations	-	9,016
Selling & Marketing Expenses	10,399,485	9,762,345
Legal & Professional Charges	362,615	282,011
Deferred Revenue Expenses w/off	9,878	9,878
Total	<u>16,919,887</u>	<u>17,501,762</u>
Schedule T		
Interest & Financial Expenses		
Interest on Term Loans	3,237,544	719,447
Interest on OCC & Other Financial Charges	19,764,874	20,782,241
Total	<u>23,002,418</u>	<u>21,501,688</u>

SCHEDULE-U**Notes on Accounts****I. Significant Accounting Policies****Basis of preparation of accounts:**

The financial statements have been prepared on the basis of going concern, and the historic cost convention, to comply in all material aspects with applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the companies Act, 1956

Fixed Assets:

Fixed Assets are shown at cost or valuation less depreciation. Cost comprises of the purchase price and other attributable expenses including cost of borrowings till the date of Capitalization in the case of assets involving material investment and substantial lead time.

Depreciation:

Depreciation is provided for on straight line method at the rates specified in Schedule XIV to companies Act, 1956, as amended from time to time.

Inventories:

Finished goods are valued at cost or market value whichever is lower inclusive of excise duty. Semi-finished goods are valued at cost or net realizable value whichever is lower. Stores and spares, raw material and coal are valued at weighted average cost which includes cost of transportation, insurance, unloading and other incidental expenses. Material in transit is valued at cost plus insurance and other incidental expenses.

Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sale of goods:

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Interest:

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend:

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.

Retirement Benefits:

Retirement benefits to employees are provided for by means of Provident Fund, Gratuity and Leave Encashment. Liability towards Gratuity and Leave Encashment are determined based on the actuarial valuation as on the Balance Sheet date.

Taxes on Income:

Provision for current tax is made for the amount of tax payable in respect of taxable income for the year under Income Tax Act, 1961. Deferred tax is recognized on timing difference being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in subsequent periods, subject to consideration of prudence.

II. Notes Forming part of Accounts
1. Security of Term Loans

The term loans are secured on the immovable properties of the company situated at village Narketpally, Dist. Nalgonda in Andhra Pradesh including the company's movable plant and machinery, machinery spares, tools and accessories and other movables, both present and future (save and except book debts and inventory which are charged against working capital facilities sanctioned by the banks) by Deed Hypothecation and also secured by a joint mortgage by way of deposit of title deeds in respect of the immovable properties of the company in favour of Industrial Finance Corporation of India, under the Project Financing Participation Certificate Scheme (PFPCS) in participation with General Insurance Corporation (GIC) and its subsidiaries. The above term loans the aforesaid institutions rank pari-passu among themselves.

Working capital facilities sanctioned by the banks (consortium) are secured by a charge on all the inventories and book debts in favour of State Bank of Hyderabad, Andhra Bank, State Bank of India and State Bank of Bikaner & Jaipur, Hyderabad.

Further, working capital facilities extended by aforesaid banks are secured by mortgage/ charge on the fixed assets of the company on "second charge basis" subservient to charge already created in favour of IFCI acting as agent on behalf of all other specified financial institutions.

The above loans are further secured by personal guarantee of Sri Sanjay Agarwal Director, and Sri Ashok Kumar Agarwal Executive Chairman of the Company.

2. Particulars of Remuneration paid to Directors

	2008-09	2007-08
Salary	4,20,000	4,20,000
Provident Fund	50,400	50,400
Total	4,70,400	4,70,400

3. Payment to Auditors

	2008-09	2007-08
Statutory Audit Fee	1,35,000	1,35,000
Tax Audit Fee/Certification	15,000	15,000
Total	1,50,000	1,50,000

4. Quantity Details (in M/t)			2008-09	2007-08
Licenced Capacity p.a.			30,000	30,000
Installed Capacity p.a.			27,000	27,000
Finished Production			13,594	20,831
Opening Stock			1,613	2,900
Closing Stock			787	1,613
5. Sales	Quantity M/t		(Rs)	
	2008-09	2007-08	2008-09	2007-08
	Qty.	Qty.	Value	Value
Export	355	157	73,26,554	20,61,583
Domestic	13,852	22,118	33,42,44,990	38,33,14,355
Internal Consumption	213	169	15,60,336	12,22,452
6. Raw Material Consumption				
	2008-09	2007-08	2008-09	2007-08
	Qty.	Qty.	Value	Value
Cal. Bauxite	1268	597	1,20,78,488	23,90,241
Grog	5195	9016	1,37,08,840	1,32,95,960
Others	—	—	15,70,93,926	20,27,16,162
Total			<u>18,28,81,254</u>	<u>21,84,02,363</u>
7. Value of Raw Materials, Stores and Spares consumed				
	2008-09	2007-08	2008-09	2007-08
Raw Material	Qty.%	Qty.%	Value	Value
Imported	0	0	0	0
Indigenous	100	100	18,28,81,254	21,84,02,363
Stores Indigenous	100	100	41,46,154	54,17,882
8. Value of Imports on CIF basis				
			2008-09	2007-08
Raw Materials			0	0
Machinery			0	0
9. Expenditure in Foreign Currency				
Bank Charges			3,677	0
Export guarantee			0	17,21,930
10. Earning in Foreign Exchange				
Export of goods on FOB Basis			64,05,498	19,76,857
Export guarantee invoked and paid				
During the previous year, amount recovered during current year			18,68,288	0

11. Contingent Liabilities

- (a) Claims against the company appellated decissions not provided for:
- | | | |
|---|-----------|---|
| Income Tax for Ass. Year 2006 - 07 (Under Appeal) | 64,07,674 | 0 |
|---|-----------|---|
- (b) Sales tax for the year 2004-2005(Under Appeal)
- | | | |
|----------------------------|-----------|-----------|
| Outstanding Bank Guarantee | 14,99,538 | |
| | 83,80,339 | 15,15,785 |
12. Segment reporting as defined in Accounting Standard 17 (AS-17) as not applicable since the entire operation of the company relates to only one segment viz., refractories.

13. Details of Investment

The company has made the following unquoted investment during the current year:

- (a) 32,900 Equity Shares of Rs 10/- each at a premium of Rs. 40/- per share in Iceberg Aqua Pvt. Ltd which is a related company = Rs. 16,45,000/-
- (b) 4,10,000 Equity Shares of Rs.10/- each at a premium of Rs. 10/- per share in Iceberg Foods Ltd. = Rs. 82,00,000/-

Share investment has been made out of Fresh infusion of Capital by Promoter.

14. Related Party Disclosures

Information relating to Related Party Transactions as per Accounting Standard 18 issued by Institute of Chartered Accountants of India is given below:

A. Name of the Related Party	Relation Ship
Mr. Ashok Agarwal	Executive Chairman, Key Management Personal
Sarvesh Refractories Limited.	Associate Company
Sree Metaliks Ltd.	Associate Company
Rourkela Minerals Co. Pvt. Ltd.	Associate Company
Iceberg Aqua Pvt. Ltd.	Associate Company
Trinity Beverages Pvt. Ltd.	Associate Company
Mr. R.C. Biswas	Director Operations, Key Management Personal

B. Transaction during the year

	2008-09	2007-08
(i) Sale of finished goods/raw materials/services (net of discounts)		
Associate Companies	Rs. 1,87,01,294	Rs. 6,21,69,547
(ii) Interest paid/ provided for		
Associate company	Rs. 4,00,333	Rs. 3,97,260
(iii) Advances Given to		
Associate Companies for Supplies	Rs. 0	Rs. 37,04,000
(iv) Advances taken from Associates Company's		
For Supplies	Rs. 20,00,000	Rs. 0
(v) Purchase of Goods/Service from		
Associate Companies	Rs. 15,00,11,605	Rs. 22,15,41,897

	2008-09	2007-08
(vi) Purchase of Shares of Associates Company	Rs. 16,45,000	
(vii) Outstanding Balances as at the year end :		
(a) Debtors/ Receivables	Rs. 13,59,62,666.	Rs. 11,33,66,723
(b) Creditors/Payable	Rs. 27,23,70,482	Rs. 22,56,52,251
(c) Un Secured Loan taken	Rs. 5,03,42,903	Rs. 4,00,33,285
15. The amount of Rs.15,60,336/- shown against self consumption sales in schedule M Pertains to consumption of refractory material towards maintenance of R. C Kiln.		
16. The amount due to micro and small enterprises as defined in the "The Micro, small and medium enterprises development act, 2006 have been ascertained to the extend such parties were identifiable from the information available with company as under		
Flamco Refractories (P) Ltd. Rs. 73, 537.00 outstanding for more than 30 days as on 31.03.09		
17. The management of the company considers all the receivables and the advances as good and recoverable and no provision is made.		
18. Amounts shown under sundry debtors, creditors, loans and advances and some Financial Institutions and Banks are subject to confirmation / reconciliation.		
19. Previous figures have been re-grouped/re-arranged wherever the management felt necessary.		

For SRB & ASSOCIATES
Chartered Accountants

for Raasi Refractories Limited

T.Lakshminarayana
Partner
Membership No.14674

Ashok Kumar Agarwal
Executive Chairman

R.C. Biswas
Director-Operations

Place : Hyderabad
Date : 17.08.2009

CASH FLOW STATEMENT FOR THE YEAR 2008-2009

(Rs. In Lakhs)

	2008-2009	2007-2008
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	31.41	18.83
ADJUSTMENT FOR:		
Depreciation	90.70	90.59
Interest Expenses	230.02	215.02
Deferred Revenue expenditure written off	0.10	0.10
Provision for Gratuity	4.85	15.32
Unclaimed balance credited back	-	-
Interest income	(4.78)	(2.06)
Operating Profit before working capital changes	352.30	337.80
Adjustment for Movement in working capital		
(increase)/Decrease in Sundry Debtors	19.82	6.96
(increase)/Decrease in Other current Assets, Loans and Advances	3.75	(26.90)
(increase)/Decrease in Inventories	36.34	0.52
increase/(Decrease) in Current Liabilities	111.97	(212.73)
Cash generated from Operation	524.17	105.65
Prior period Adjustment	-	(8.84)
Income Taxes/ Fringe Benefit Tax	(28.01)	(3.25)
Net Cash flow from Operating Activities	496.17	93.56
B CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES		
Purchase of Fixed Assets	(102.60)	(170.99)
Investment in Shares	(98.45)	-
Interest Received	4.78	2.06
Net Cash used in Investing Activities	(196.27)	(168.93)

CASH FLOW STATEMENT FOR THE YEAR 2008-2009

(Rs. In Lakhs)

	2008-2009	2007-2008
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	12.11	234.00
Increase/(Decrease) in Cash Credits	(19.58)	30.74
Proceeds/(repayments) of Short term Borrowings	(2.31)	(1.59)
Increase/(Decrease) of Long term Borrowings	(19.91)	(51.22)
(Increase)/Decrease in Fixed Deposit with Bank	(24.12)	28.66
Interest Paid	(230.02)	(215.02)
Net Cash from Financing Activities	(283.83)	25.57
Net Increase/Decrease in Cash and Cash equivalents	16.07	(49.80)
Cash and Cash Equivalents as at 1st April (Opening Balance)	16.14	65.94
Cash and Cash Equivalents as at 31st March (Closing Balance)	32.21	16.14

As per our report of even date

For SRB & ASSOCIATES
Chartered Accountants

for and on Behalf of the Board
for Raasi Refractories Limited
T.Lakshminarayana
Partner
Membership No.14674

Ashok Kumar Agarwal
Executive Chairman

R.C. Biswas
Director-Operations

Place : Hyderabad
Date : 17.08.2009
CERTIFICATE

We have examined the attached Cash Flow Statement of Raasi Refractories Limited for the period ended 31st March, 2009. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of Listing Agreement with Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 17.08.2009 to the members of the Company.

Date: 17.08.2009
Place: Hyderabad
For SRB & ASSOCIATES
Chartered Accountants

T.Lakshminarayana
Partner
Membership No: 14674

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS AT 31ST MARCH, 2009
I. REGISTRATION DETAILS :

State Code : 01

Registration No. **3339**
Balance Sheet Date **31st MARCH 2009**
Date Month Year

II. CAPITAL RAISED DURING THE YEAR (AMOUNT Rs. In Thousands ' 000)

Public Issue NIL Rights Issue NIL
Bonus Issue NIL Allotment to IFCI Rs. 1211
pursuant to Conversion
of Funded interest

III. POSITION OF MOBILIZATION AND DEPLOYMENT OF FUNDS (Amount Rs. In Thousands' 000)

Total Liabilities Rs. 249042 Total Assets Rs.249042

Source of Funds :

Paid-up Capital Rs. 47131 Secured Loans Rs.117777
Reserve & Surplus Rs. 24214 Unsecured Loans Rs. 50343

Application of Funds:

Net Fixed Assets Rs. 114627 Net Current Assets Rs.124560
Investments Rs. 9845 Deferred Tax +(-) Rs. (9576)
Miscellaneous Expenditure Rs. 10 Accumulated Losses Rs. NIL

IV. PERFORMANCE OF COMPANY (AMOUNT Rs. Thousands/ '000)

Turnover Rs. 345354 Profit/ (Loss) Before Tax Rs. 3141
Total Expenditure Rs. 342213 Profit/ (Loss) After Tax Rs. 1359
Earnings per Share Rs. 0.29

V. GENERIC NAMES OF THREE FINANCIAL PRODUCTS / SERVICES OF COMPANY

Item Code No. (ITC CODE)	Product Description
69022002	BRICKS AND SHAPES - HIGH ALUMINA
69021001	MAGNESITE BRICKS & SHAPES
69021004	BRICKS AND SHAPES - MAGNESIA CARBON

for and on behalf of the Board
for Raasi Refractories Limited

R. C. Biswas
Director Operations

RAASI REFRATORIES LIMITED

6-3-349/20, Alpha Business Centre, IIInd Floor, Road No.1, Banjara Hills,
Hyderabad 500 034

ATTENDANCE SLIP**TWENTY SEVENTH ANNUAL GENERAL MEETING OF THE COMPANY**

Dp.Id*

Folio No.....

Client Id*

No.of Shares.....

I hereby record my presence at the TWENTY SEVENTH ANNUAL GENERAL MEETING of the Company being held on Thursday, the 24th September, 2009 at 11.00 A M at Bhaskara Auditorium, B M Birla Science Centre, Adarshnagar, Hyderabad – 500 063.

1. Full Name of the Member _____
(in Block Letters)
2. Full Name of the Proxy Holder _____
(in Block Letters)

Member's / Proxy Signature

- Note:
1. A Member / Proxy attending the meeting must complete this Attendance Slip and hand it over at the entrance.
 2. Member intending to appoint a Proxy, should complete the Proxy Form and deposit it at the Company's Registered Office not later than 48 hours before the commencement of the Meeting.

* Applicable for investors holding shares in Electronic Form.

RAASI REFRATORIES LIMITED

6-3-349/20, Alpha Business Centre, IInd Floor, Road No.1, Banjara Hills,
Hyderabad 500 034

PROXY FORM

Dp.Id*

Folio No.....

Client Id*

No.of Shares.....

I/We _____ being a Member / Members of RAASI REFRATORIES LIMITED, hereby appoint _____ of _____ or failing him _____ of _____ as my/our Proxy to attend and vote for me/us and on my/our behalf at the TWENTY SEVENTH ANNUAL GENERAL MEETING of the Company held on Thursday, the 24th September, 2009 at 11.00 A M at Bhaskara Auditorium, B M Birla Science Centre, Adarshnagar, Hyderabad - 500 063 and at any adjournment thereof.

Signed this _____ day of _____ 2009

Name : _____

Address _____

Affix
1 Rupee
Revenue
Stamp

- Note :
1. The Proxy form should be deposit at the Registered Office of the Company not later than 48 hours before commencement of the Meeting.
 2. Please bring your copy of this Annual Report to the Meeting
 - 3: Proxy need not be a member of the Company.

* Applicable for investors holding shares in Electronic form.

BOOK POST
PRINTED MATTER

If undelivered please return to:

RAASI REFRACTORIES LIMITED

6-3-349/20, Alpha Business Centre,
IInd Floor, Road No.1, Banjara Hills,
Hyderabad - 500 034.