

29th
ANNUAL REPORT
2010 -2011



RAASI REFRATORIES 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. Pramod Kumar Agarwal | Director |
| 6. Sri. Natwar Lath | Director |
| 7. Sri. R.C. Biswas | Director-Operations |
| 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
403, Pavani Plaza
5th Floor, 6-2-984
Kairatabad, Hyderabad-500004

BANKERS

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

State Bank of Bikaner & Jaipur
RP 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 Website: www.raasi.in
FACTORY	Lakshmipuram, Narketpally, Nalgonda District, Andhra Pradesh-508 254
REGISTRARS & TRANSFER AGENTS	Aarhi Consultants Private Limited 1-2-285, Domalguda, Hyderabad Tel No. 91-40-27638111, 27634445 Fax No. 91-40-27632184 Website: www.aarthiconsultants.com
LISTING	The Hyderabad Stock Exchange, Bombay Stock Exchange Limited
ANNUAL GENERAL MEETING	Date: 30 th September, 2011 Time: 11.00 A.M Venue: Bhaskara Auditorium B.M. Birla Science Centre, Adarsh Nagar, Hyderabad-500 063
Book Closure	24 th September, 2011 to 30th September, 2011

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Message to the Shareholders

Dear Shareholders,

Subject: Green Initiative- Electronic Mode of Service of Notices/Documents

The Ministry of Corporate Affairs, Government of India has taken "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. As per the recent circular no.17/2011 dated 21.4.2011 and circular no. 18/2011 dated 29.4.2011 issued by the Ministry of Corporate Affairs, Companies can now send notices and documents, including annual report, to its shareholders through electronic mode to the registered e-mail address of shareholders. If company sends communication through email, it will be in compliance with the Section 53 of the Companies Act, 1956. Your company supports and welcomes this laudable initiative of the Government for e-communication. The company is sure that shareholders too as responsible citizens of country will support this initiative by registering themselves with the company for e-communication.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a Greener Environment. This is a golden opportunity for every shareholder of Raasi Refractories Ltd. to contribute to the Corporate Social initiative of the Company. You will be able to receive communications promptly and without loss in transit.

It is proposed that henceforth documents like Notices of Meetings, Annual Reports, Directors' Reports, Auditors' Report and other shareholder's communications be sent electronically through email to the email addresses provided to Depository viz. NDSL/CDSL or to the Registrars & Transfer Agents.

We are sure that you would appreciate the "Green Initiative" taken by MCA and your company's desire to participate in such initiatives.

You are requested to kindly update your email ID with your DP with whom you have your demat account or to the Registrars & Transfer Agents (Shareholders holding the shares in the physical form) as and when there is a change in your email address.

Thanking you,

Yours Faithfully,
For Raasi Refractories Ltd.

R.C.Biswas
Director-Operations

NOTICE

Notice is hereby given that the **Twenty Ninth Annual General Meeting** of the members of Raasi Refractories Limited will be held on Friday, the 30th day of September, 2011 at 11:00 A.M at Bhaskara Auditorium, B.M. Birla Science Centre, Adarsh Nagar, Hyderabad-500063 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 2011, 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.

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"

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

Date: 19-08-2011
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 24th September, 2011 to 30th September, 2011 (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

- A. Sri Muralidhar Agarwal, Director of the company retire by rotation at the ensuing Annual General Meeting, and being eligible offer himself for reappointment.

Sri Muralidhar Agarwal aged 52 years is a commerce graduate. He was appointed as a director on 28.06.2004. He is having rich experience in mining, refractories and metal industries for about 31 years. He is the Managing Director of M/s R.S. Agarwalla and Bros. Private Limited, M/s Hind Metal & Industries Private Limited and M/s Barbil Mining and Industries Private Limited. He is the Chairman of Remuneration, Shareholders'/Investors' grievances and Audit Committee.

- B. Sri Mahesh Kumar Agarwal, Director of the company retire by rotation at the ensuing Annual General Meeting, and being eligible offer himself for reappointment.

Sri Mahesh Kumar Agarwal aged 46 years, is a graduate in Commerce. He is the Promoter and Non- executive Director of M/s Raasi Refractories Limited. He was appointed as director on 24.9.2004. He is having a rich experience in Domestic and International Business for about 16 years. He has vast knowledge and expertise in Steel Industry. He is a Managing Director in Sree Metaliks Ltd. He is also director on the Board of SAG International Limited, Hind Metal & Industries Pvt. Ltd, Chefair Impex Ltd., Thanwas Commercial Pvt. Ltd and Iceberg Aqua Pvt. Ltd..

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

Date: 19-08-2011
Place: Hyderabad

Ashok Kumar Agarwal
Executive Chairman

DIRECTORS' REPORT

Dear Members,

Your Directors present the Twenty Ninth Annual Report on the business and operations of the company and the audited statements of the accounts for the year ended 31st March 2011.

1. FINANCIAL RESULTS AND OPERATIONS:

The summarized financial results for the year ended 31st March 2011 as compared with the previous year are as under:-

(Rs. In lakhs)

PARTICULARS	For the year	
	2010-11	2009-10
a. Sales & incentives (excluding excise & sales tax)	2567.84	3397.08
b. Profit before interest, depreciation and taxes	293.05	393.90
c. Interest	291.69	263.20
d. Depreciation	103.30	103.45
e. Profit before tax	(101.94)	27.25
f. Prior period adjustments (net)	0.00	0.00
g. Provision for taxation:		
- Current	0.00	8.72
- Deferred	8.78	0.00
h. Net profit/(loss)	(110.73)	18.53

Your Company has achieved the gross turnover of Rs.2567.84 lakhs as against a turnover of Rs.3397.08 lakhs achieved during the previous financial year. The Company's export sales increased from Rs. 87.74 lakhs to Rs. 173.38 lakhs during the period under review.

The company has incurred a Net Loss of Rs 101.94 lakhs for the year under review as against Net Profit of Rs. 18.53 lakhs earned during the previous financial year.

2. MARKETING

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

3. INDUSTRY OUTLOOK

With the sustainable growth in steel producing capacities particularly in India and increased demand for quality Iron and Steel particularly from manufacturing, construction and automobile sectors, it is expected that demand for refractories would continue to rise.

4. DIRECTORS

At the ensuing Annual General Meeting Sri. Mahesh Kumar Agarwal and Sri. Muralidhar Agarwal, Directors of the Company will be retiring by Rotation and being eligible offer themselves for re-appointment in terms of Section 256 of the Companies Act, 1956.

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 recommends 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,

- That in the preparation of the accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 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.
- 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, 2011 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 Ninth 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 is 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. ENHANCEMENT OF AUTHORISED CAPITAL

The Company has enhanced its Share Capital from Rs.15,00,00,000 to Rs. 25,00,00,000, with the consent of Members in the Annual General Meeting held on 27th September, 2010. However, due to deficit in funds the Company was unable to file the Form-5 in respect of the same. The company is taking necessary measures for filing Form-5.

11. 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.

12. CORPORATE GOVERNANCE

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

13. 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:

Refractories are made of naturally-occurring minerals, such as bauxite, kyanite, magnesite, fireclay, chrome ore, etc. Refractories are used either where high temperature or high rate of abrasion/corrosion/ erosion is involved. Lately, however, the industry has been using man-made raw materials, such as brown-fused alumina, tabular alumina, fused magnesia, silicon carbide, magnesia alumina, etc. It has a wide product range and comprehensive to suit the requirement of different industry segments. These are produced in Special Shapes and are Custom made to suit the requirements of the various industries.

Refractory plays a dynamic role not only for metallurgical but also for shaping up chemical and petrochemical, glass, ceramic, cement and limestone industries. Major research work has so far been concentrated for the development of new refractory and

also for its reduction in consumption for steel industries. But, the industry's efforts have so far proved futile as no major breakthrough has been achieved. Indian refractory industry, meanwhile, is required to upgrade their operations with global technologies which need huge investment. But, in the long run, the investment is bound to fetch higher returns too.

The Indian Refractory Industry started its journey with first line of production in Kolkata in 1874. The Refractory Industry Comprises over 100 established units, with 11 large plants, 24 medium- scale units and the rest in the small- scale sector. Currently, the Indian Refractory industry has an aggregate production capacity of 20 lakh tonnes per annum. The capacity utilization, however, currently stands at around 60 percent or 11.5-12 lakh tones per annum. Iron and steel industry continues to remain the major end-use market for refractories. About 75 percent of the refractories that are manufactured find application in the steel industry, 12 per cent in the cement industry, 5-6 percent in non-ferrous industries, three per cent in the glass industry and the balance in other industries.

(B) Opportunities and threats

Opportunities in the refractories industry:

The increasing level of industrialization is fuelling growth in the Indian steel industry, providing ample growth opportunities for refractories. Iron and steel remains the major end-use market for refractories. Growth in production of cement, ceramics, as well as other mineral products is expected to complement this growing trend in the coming years. In addition, an upsurge in the use of refractories in metal and non-metallic mineral products production is expected to widen the market's growth prospects.

In terms of material, clay refractories represent the largest and fastest growing segment. The market of fire clay refractories is projected to reach 19.6 million tonnes by

2012. By form type, bricks and shapes represent the leading segment, while monolithics and others are projected to cross \$10.34 billion by 2012. Growth prospects are high for monolithic castables and preformed shapes that feature high performance and flexibility than other refractory forms. Significant growth potential is witnessed in zircon/zirconia, silicon carbide extra-high alumina, and other more specialized refractory materials that offer strong performance in specific applications.

Threats in the refractories industry:

One of the major threats the industry is facing is paucity of raw materials. The raw materials scarcity is a concern especially with China imposing quantitative restrictions on export of raw materials and also jacking up prices over the last few years. Cheaper refractory imports from China are also putting a pressure on the industry's margins. Hiring and retaining skilled manpower is a major challenge that the Indian refractory industry has to cope with. Further, China is dumping sub-standard quality outputs in India at very low prices which are degrading the quality of refractory in India.

Another major threat to the refractory industry is reduction in the per capita consumption of refractories and technological upgrading of products and process.

With the changes in technology in the steel industry, the major thrust has been on maximizing on the use of the materials and improving technology in each area of operation/process where refractories are being used. Further, different types of steel production require different types of refractories. Moreover, wearing rate of refractory depends on several factors including time of exposure, temperature, degree and fluctuation of temperature. All these need to be kept in mind while supplying refractory for optimal utilization.

(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: These are basically aluminosilicate refractories possessing alumina not exceeding 42%. Fire clay refractories earlier used to find use in lining of blast furnaces for hearth and bosh portion due to the dense structure, reheat shrinkage, resistance to slag and load characteristics of these bricks. This is a low alumina refractory product and is manufactured by both small and big refractory plants beside many un-organized units. Fire Clay and Ramming mass have low shrinkage and are resistance to slag. These have low iron content, high volume stability, high resistant to spalling and corrosion and co-disintegration and also resistant to molten metal attack and can be used for special application. 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 48% the total sales of the company.

High Alumina: High Refractoriness increases with increasing alumina content. These bricks have high Mechanical strength and excellent load-bearing properties at high temperatures besides having fair to excellent resistance to spalling. These High Alumina Bricks have high resistance to corrosion by many basic slags and fluxes and fair resistance to acid slags. These High Alumina Bricks are suitable for Cement Rotary Kilns, Laddle Lining, Glass industries, Blast furnaces, Stoves & Checkers, Electric Furnace Roof & Other miscellaneous industries.

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, TRL & SAIL Units. The Company has recently developed new products in this range for exports. During the year under review, this product has accounted nearly 20% 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 10% 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 5% of the total sales.

Monolithics: These refractories are well known to produce joint less structure which are stable from dimensional aspect at high temperatures and are resistant to thermal shock and abrasion. It comprises of castables, plastic mass, ramming mix, mortars, slinger mix and coating material. 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 17% of the total sales.

(D) Outlook:

The increasing level of industrialization is fuelling growth in the Indian steel industry, providing ample growth opportunities for refractories. Iron and steel industry continues to remain the major end-use market for refractories.

Despite the price of several raw materials going up significantly, refractory makers were, till recently, left with little choice but to absorb the shock, resulting in erosion of bottom lines. But the brighter side of the story is increasing credibility of Indians in the global market, where price realization is relatively better.

According to available reports, the size of the Indian refractory industry has been pegged at Rs 2,300 crore and it is stated to be growing at 8-10 per cent per annum. Although the specific consumption of refractories has gone down from 30 kg per tonne of steel about 20 years ago to 12-13 kg on an average for the steel industry as a whole and as low as 7-8 kg in the case of some more efficient steel units, the scope for growth is good in view of the continuing growth in the Indian economy and the government's focus on infrastructure development.

(E) Risks and Concerns:

India's refractory industry has witnessed a dramatic squeeze in margins amidst poor demand from end users and rising raw material prices. Sudden rise in the price of the raw material is due to dependence of the refractory industry on the raw materials imported from China. It is a matter of great concern as the use of synthetic raw

materials is driving the prices of the raw materials higher. Further, the raw material prices have increased from 80% to 85% but the prices of finished products have increased from 18% to 30% resulting in erosion of bottom lines of the refractory companies.

The refractory industry is going through an exciting and complex phase. On one hand, refractory makers are adding capacities with the hope that demand from the steel sector will rise at a fast pace. On the other hand, usage of the new technology processes is leading to reduction in refractories consumption.

A major area of concern is availability of adequately qualified and competent workforce. 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.

(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.2567.84 lakhs as against a turnover of Rs.3397.08 lakhs achieved during the previous financial year. Review. The Company has incurred a Net loss of Rs 101.94 lakhs as against the Net Profit of Rs. 18.53 lakhs for the year under consideration.

(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, 2011 the company has about 225 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 383A of the Companies Act 1956. The certificate is attached there to.

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.

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.

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

Date: 19-08-2011
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.

A Power and Fuel consumption	2010-2011	2009-2010
1. Electricity		
a) Purchased		
i) Unit(kwh)	14,71,514	16,16,542
ii) Total Amount(Rs.)	72,40,615	66,63,033
iii) Rate/unit (Rs.)	4.92	4.12
b) Own Generation		
I) Through diesel generator		
i) Unit(kwh)	96,008	2,25,360
ii) Units per ltr.of diesel oil	2.42	2.82
iii) Cost/unit (Rs.)	16.48	12.76
II) Through steam turbine/ generator	NotApplicable	
i) Unit(kwh)		
ii) Units per ltr.of fuel oil/ gas		
iii) Cost/unit (Rs.)		
2. Coal (specify quality and where used)		
	'B' and 'C' Round grade coal used in gas producer plant and also in draft kilns.	
i) Quantity (M. tonnes)	4,880	4,848
ii) Total Cost (Rs.)	1,84,98,199	1,70,20,633
iii) Average Rate (Rs.)	3,791	3,511
3. Furnace Oil		
i) Quantity (ltrs)	1,900	6,635
ii) Total Amount (Rs.)	69,003	1,66,466
iii) Average Rate (Rs.)	36.32	25.09
4. Others/ internal generation	NotApplicable	
i) Quantity		
ii) Total Cost (Rs.)		
iii) Rate/ Unit (Rs.)		
B Consumption per unit of production		
Standards 2010-2011	2009-2010	
Products- Refractory all types (in M.T.)	12,619	15,520
Electricity (Units)	124.22	118.67
Furnace oil in Ltrs	0.15	0.42
Coal- B and C grade in KGs	387	312
Others (Specify)	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 carried by the Company | The company has made a tie up with Tata Refractories Limited for technical and marketing support. All the superior quality of fire clay and high alumina bricks have been developed with their collaboration. Now, we are making all types of sophisticated material as being made at Tata Refractories limited. |
| 2. Benefits derived as a result of the above R & D | With this arrangement the company is getting order from aluminum, steel and cement industries regularly. |
| 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 high alumina bricks and monolithic for cement, steel and aluminum industries. 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 5 lakhs has been incurred during the year 2010-2011 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. |
| 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. | Not Applicable |
| (b) Year of import | |
| (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. | |

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 party:

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.173.38 Lacs in the financial year 2010-2011. 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			2010-11	2009-10
I Earnings:				
Export of finished goods	USD	\$	3,84,000	1,92,000
	INR	Rs.	1,73,37,600	87,74,400
II Outgo:				
Import of raw materials	USD	\$	74,245	80,166
	INR	Rs.	34,17,615	40,69,638
Bank charges	USD	\$	450	544
	INR	Rs.	20,699	26,097
Commission on sales	USD	\$	15,360	9,818
	INR	Rs	7,17,563	5,78,149

COMPLIANCE CERTIFICATE

Company Number: 003339

Nominal Capital: Rs. 25, 00, 00,000 (Rupees Twenty Five Crores Only)

To

The Members

RAASI REFRACTORIES 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 REFRACTORIES LIMITED, HYDERABAD** (the "company") as required to be maintained under the Companies Act, 1956,(the Act) 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, 2011 (i.e. from 1st April, 2010 to 31st March, 2011). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, 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 time prescribed under the Act and the rules made there under. However the company has satisfied the term loan of Rs. 17.50 Lakhs out of Rs. 25 Lakhs taken from GIC and its subsidiaries, but Form-8 pertaining to modification is yet to be filed by the company.
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
 - (c) Invitation and acceptance of deposits from persons other than its members, directors or their relatives are not applicable.
4. The Board of Directors duly met 8 times on 15.05.2010, 22.05.2010, 05.07.2010, 14.08.2010, 27.08.2010, 27.09.2010, 13.11.2010 and 14.02.2011 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 from 21st September 2010 to 27th September 2010 and necessary compliance of section 154 of the Act has been made, during the financial year under review.
6. The annual general meeting for the financial year ended on 31st March 2010 was held on 27th September, 2010 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 not entered into any contracts falling within the preview of section 297 of the Act.
 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 company has not issued any duplicate share certificates during the financial year.
 13. The company has:
 - (i) Delivered all the certificates on lodgment thereof for 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. There was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancy during the financial year.
 15. The Company has appointed Mr. Ashok Kumar Agarwal and Mr. R.C. Biswas as Whole-time Directors for the period of three years with effect from 15th September, 2009 and 30th August 2009 respectively. However, the Company has not appointed any Managing Director/ Whole-Time Director/ Manager during the Financial Year under review. Therefore, no comments are required.
 16. The company has not appointed any Sole-Selling Agents during the Financial Year.
 17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year under review.
 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 not issued Equity Shares, debentures/ other securities during the financial year under review.
 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 2011, 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 altered the provisions of the Memorandum with respect to share capital of the company after the approval of the members in the Annual General Meeting held on 27th September, 2010 during the financial year under review. **However, Form-5 pertaining to enhancement of Authorised Capital is yet to be filed by the Company.**
30. The company has altered its Articles of Association after obtaining approval of members in the annual general meeting held on 27th September, 2010 and the amendments to the Articles of the Association have been duly filed with the Registrar of Companies 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 trust for its employees as such, as section 418 of the Act is not applicable to the company.

PLACE: Hyderabad
DATE: 30/05/2011

For **BPK & Associates**

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.
- 12) Register of Share Transfers.

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, 2011.

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-23B	Sec-224 (1A)	Information by auditor to registrar	20/10/2010	Yes	Not Applicable
2.	Form 23	Section 192	Registration of resolutions and agreements	20/10/2010	Yes	Not Applicable
3.	Form 23AC & 23ACA	Section 220	Balance Sheet and Profit & Loss Account	05/10/2010	Yes	Not Applicable
4.	Form 20B	Section 159 & 160	Annual Return	09/10/2010	Yes	Not Applicable
5	Form 66	Section 383A	Compliance Certificate	05/10/2010	Yes	Not Applicable

- 2) Forms and Returns filed with Regional Director, Company law Board, Central Government and other authorities during the year 2010-2011.

Not Applicable

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 Corporate Governance

Corporate Governance for the company means achieving high level of accountability, efficiency, responsibility and fairness in all areas of operation. Our workforce is committed towards the protection of the interest of the stake holder's viz. shareholders, creditors, investors, customers, employees, etc. Our policies consistently undergo improvements keeping in mind our goal of maximization of value of all the stakeholders.

The goal is achieved through:

- Infusion of best expertise in the Board.
- Consistent monitoring and improvement of the human and physical resources.
- Introducing regular checks and audits and continuous improvements in already well-defined systems and procedures.
- Board / Committee meetings at short intervals to keep the Board informed of the recent Happenings.

2. Board of Directors**2.1 Composition of the Board**

The company meets the requirement as is stipulated under clause 49 of the listing agreement, as the Chairman of the Board is 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 composition of the Board is as under:

The Board of Raasi Refractories limited is headed by **Sri Ashok Kumar Agarwal**, who is the Executive-Chairman of Raasi Refractories Limited. He is currently the Managing director of Sarvesh Refractories Limited and Rourkela Minerals Co. Private Limited.

Sri Pramod Kumar Agarwal aged 35 years, is an independent and Non- Executive Director of Raasi Refractories limited. He has a rich experience in management and administration. He is a graduate in commerce and has a good exposure in the area of refractory and steel industry. He is currently the Managing Director of Sree Metaliks Steel & Power Limited and B P Nirmann Private Limited.

Sri Kirit D. Sanghvi aged 61 years, is an Independent & Non-Executive Director of Raasi Refractories limited. He is involved in international business and his exposure to refractory market in India and abroad is very wide. He is currently the Managing Director of M/s Interklin Industries Limited and M/s Akik Ceramics Private Limited.

Sri Sanjay Agarwal aged 39 years, is a Promoter & Non-Executive Director of Raasi Refractories limited. He has acquired an expertise in management and promotion of refractory business. He is the member of Shareholders'/ Investors' Grievance Committee. He is a director on the board of M/s Trinity Beverages Private Limited, Greengen Educational Academy Pvt. Ltd., Greengen Infratec Pvt. Ltd., Rourkela Minerals Co. Private Limited.

Sri Natwar Lath aged 51 years, is an Independent & Non- Executive Director of Raasi Refractories Limited. He is a Bachelor of Commerce and a fellow member of the Institute of Chartered Accountants of India. He also holds diploma in information system audit. He has a vast and rich experience of over 21 years in income tax and audit matters. Sri Natwar lath is a proprietor of Natwar & Associates, Chartered Accountants. He is a member of Shareholders'/ Investors Grievance Committee, Remuneration Committee & Audit Committee. He is a director on the board of M/s Lath Services Private Limited.

Sri Muralidhar Agarwal aged 52 years is an Independent & Non- Executive Director of Raasi Refractories Limited. He is a director on the board of M/S Sree Metaliks limited, Hind Metals & Industries Private Limited and Thanwas Commercial Private Limited. He is a Chairman of Shareholders'/ Investors Grievance Committee, Remuneration Committee & Audit Committee.

Sri Mahesh Kumar Agarwal aged 46 years, is a Promoter & Non-Executive Director of Raasi Refractories Limited. He is a Managing Director of M/S Sree Metaliks Limited.

Sri R.C. Biswas aged 65 years, is a Non-Independent & Executive Director of Raasi Refractories Limited. He has been associated with companies like Rourkela steel plant, Kesoram Refractories Ltd., and Sarvesh Refractories Limited.

Other information regarding the Board is given below:

	Name of the director	Category	No. of other Directorships and Committee Memberships /Chairmanships		
			Other directorships	Committee memberships	Committee chairmanships
	Sri Ashok Kumar Agarwal	Promoter & Executive Chairman	12	Nil	Nil
	Sri Sanjay Agarwal	Promoter & Non-Executive	7	1	Nil
	Sri Muralidhar Agarwal	Independent & Non-Executive	9	3	3
	Sri Mahesh Kumar Agarwal	Promoter & Non-Executive	11	Nil	Nil
	Sri Natwar Lath	Independent & Non-Executive	1	3	Nil
	Sri R.C. Biswas	Non- independent & Executive	Nil	Nil	Nil
	Sri Pramod Kumar Agarwal	Independent & Non-Executive	8	1	Nil
	Sri Kirit D. Sanghvi	Independent & Non-Executive	5	1	Nil

2.2 Meetings and attendance

During the year 2010-2011, Eight Board Meetings were held. Attendance record of the Directors in the meetings is as under:

Name of the director	Board meeting held on	No of board meetings attended	Attended last AGM held on September 27 th , 2010
Sri Ashok Kumar Agarwal	15.05.2010	8	Yes
Sri Sanjay Agarwal	22.05.2010	8	No
Sri Muralidhar Agarwal	05.07.2010	8	No
Sri Mahesh Kumar Agarwal	14.08.2010	6	No
Sri Natwar Lath	27.08.2010	8	Yes
Sri R.C. Biswas	27.09.2010	8	Yes
Sri Pramod Kumar Agarwal	13.11.2010	8	No
Sri Kirit D. Sanghvi	14.02.2011	8	Yes

3. Audit committee

The Audit Committee formed in pursuance of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 is instrumental in overseeing the financial reporting besides reviewing the quarterly, half yearly, annual financial results of the company; it reviews company's financial and risk management policies and the internal control systems, internal audit systems, etc. through discussions with internal and external auditors.

Powers of Audit Committee

The audit committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

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 Pramod Kumar Agarwal. Sri Muralidhar Agarwal is the chairman of the committee.

During the year 2010-2011, four meetings of the committee were held on 15th May 2010, 14th August 2010, 13th November 2010 and 14th February 2011 . The composition and attendance in the committee is as under:

Name of the Director	Position held in the company	No. of committee meetings attended
Sri. Muralidhar Agarwal	Chairman of the Committee	4
Sri. Natwar Lath	Member	4
Sri. Pramod Kumar Agarwal	Member	4

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. During the year under review, one remuneration committee meeting was held on 11th May 2010. The decision are taken by the committee at meeting. The composition of the remuneration committee and attendance at its meeting is as follows:-

Name of the Director	Position held in the company	No. of committee meetings attended
Sri. Muralidhar Agarwal	Chairman of the Committee	1
Sri. Natwar Lath	Member	1
Sri. Kirit D. Sanghvi	Member	1

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 vis-a-vis the industry 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 2010-2011 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/Investors' Grievance committee

During the year 2010-2011, thirteen meetings of the Committee were held.

Shareholders'/Investor's Grievance Committee for the year ended 31st March 2011.

During the year 2010-2011 the Shareholders/Investors Grievance Committee met 13 times on 15th April 2010, 30th April 2010, 15th June 2010, 15th July 2010, 31st July, 2010, 31st August 2010, 30th September 2010, 30th October, 2010, 13th November 2010, 14th January 2011, 28th February 2011, 15th March 2011, 31st March 2011.

The composition and the attendance records of the members in the same are as under:

Name of the Director	Position held in the committee	No. of committee meetings attended during 2010-2011
Sri. Muralidhar Agarwal	Chairman	13
Sri. Natwar Lath	Member	13
Sri. Sanjay Agarwal	Member	13

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, rematerialisation request 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, demat and remat) during the year under review. There were no outstanding complaints as on 31st March 2011. All the valid requests for transfer of shares were considered for transfer. There were no share transfers pending as on 31.03.2011.

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 19-08-2011

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
2009-2010	Bhaskara Auditorium, B.M. Birla Science Centre, Adarsh Nagar, Hyderabad- 500 063	27-09-2010 at 11.00 A.M	<ol style="list-style-type: none"> 1. Enhancement of the Authorised Capital from Rs.15,00,00,000 to Rs. 25,00,00,000 (Section 94 of the Companies Act, 1956). 2. Alteration of Memorandum of Association pursuant to the enhancement of authorised capital of the Company (Section 16 of the Companies Act, 1956). 3. Alteration of Articles of Association pursuant to the enhancement of the authorised capital of the Company (Section 31 of the Companies Act, 1956).
2008-2009	Bhaskara Auditorium, B.M. Birla Science Centre, Adarsh Nagar, Hyderabad- 500 063.	24-09-2009 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) and fix their remuneration.
2007-2008	Bhaskara Auditorium, B.M. Birla Science Centre, Adarsh Nagar, Hyderabad- 500 063.	25-09-2008 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 2010-2011, 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), Praja Sakthi (Telugu edition) and Andhra Prabha (Telugu Edition). The same results are sent to the stock exchanges as per Listing Agreement. The Quarterly, half yearly and annual results and the share holding pattern of the company are posted on the company's website in compliance with the Clause 54 of the Listing Agreement.

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. Investor Information
a. 29th annual general meeting

Date and time	:	Friday, the 30 th September, 2011 at 11.00 AM
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 and reappointment are given in the notes to the notice of the annual general meeting to be held on 30th day of September 2011.

b. Financial calendar (tentative)

Financial year	:	1 st April 2011 to 31 st March 2012
First quarter	:	August 2011
Second quarter results and half yearly results:	:	November 2011
Third quarter results	:	February 2012
Last quarter results/ Audited results	:	May 2012/ May 2012

c. Dates of books closure : 24th September 2011 to 30th September 2011

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)
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f. ISIN Numbers in NSDL & CDSL for

Equity shares	:	INE858D01017
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g. Listing Fee : The company has paid its annual listing fees Bombay Stock Exchange for the financial year 2010-2011.

h. Market Price Data : High/low price quotation in each month of the last financial year 2010-2011 on the stock exchange Mumbai is given below. There is no trading in the Hyderabad stock exchange, hence no quotation for the year 2010-2011.

Month	High (Rs.)	Low (Rs.)
April 2010	15.75	12.85
May 2010	14.50	11.22
June 2010	12.20	9.76
July 2010	13.74	10.60
August 2010	12.48	10.50
September 2010	14.75	10.41
October 2010	14.01	11.21
November 2010	13.20	9.90
December 2010	14.00	7.68
January 2011	13.00	9.31
February 2011	12.65	9.91
March 2011	12.00	8.65

Source: www.bseindia.com

i. Registrars and Transfers Agents (RTA)
Aarathi 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 2011.

S.No	Category	No. of Holders	Holders %	Shares	Amount Rs.	% of Amount
1.	1 ---- 5000	5799	95.58	532009	5320090.00	11.29
2.	5001 ---- 10000	120	1.98	96628	966280.00	2.05
3.	10001 ----- 20000	63	1.04	95585	955850.00	2.03
4.	20001 ----- 30000	27	0.44	68130	681300.00	1.44
5.	30001 ---- 40000	17	0.28	61136	611360.00	1.30
6.	40001 ----- 50000	11	0.18	53200	532000.00	1.13
7.	50001 ----- 100000	12	0.20	83985	839850.00	1.78
8.	100001 & Above	18	0.30	3722463	37224630.00	78.98
	TOTAL	6067	100.00	4713136	47131360.00	100.00

Shareholding Pattern as on 31st March, 2011

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)	98775	2.10
c. FII'S		
Sub-Total	98775	2.10
4. Others		
a. Private Corporate Bodies	1052269	22.33
b. Indian Public	1164968	24.72
c. NRIs/OCBs	9704	0.21
d. Trusts	200	0.00
e. Clearing Members	00	0.00
Sub-Total	2227141	47.25
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 21 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:
Lakshmiapuram, Narketpally, Nalgonda District,
Andhra Pradesh-508254

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: 040-23355462, 65511345

p. Investor Correspondence

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

* For Shares in Demat form
To the Depository Participant

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

Date: 19-08-2011
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, 2011.

Place: Hyderabad
Date: 19-08-2011

For Raasi Refractories Limited

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, 2011.
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 statements 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: 19-08-2011
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, 2011 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.

For SRB & ASSOCIATES
Chartered Accountants

T. Lakshmi Narayana
Partner
Membership No: 14674

Date: 19-08-2011
Place: Hyderabad

AUDITORS REPORT:

To

The Members of

RAASI REFRACTORIES LIMITED

HYDERABAD

1. We have audited the attached Balance sheet of RAASI REFRACTORIES LIMITED as at 31st March 2011 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 2011, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2011 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, 2011;
 - (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. Lakshmi Narayana
Partner
Membership No: 14674

Date: 30.05.2011
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, 2011)

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 by the management as compared to the book records were not material.
3. According to information and explanation 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 410.72 lakhs as against the outstanding balance of Rs. 407.06 lakhs at the end of previous year.
 - (ii) Unsecured interest free loan taken from M/s Sarvesh Refractory Ltd in the earlier year Rs. 100.00 lakhs for investment purpose is outstanding as on the Balance Sheet date.
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 Rupees. 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 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. 15,17,745.00, Provident Fund Rs.17,48,926, Professional Tax 71,544 & T.D.S. 1,32,735.
- (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. 13,40,608/- for the year F.Y. 2007-08. Demand made by The Asst. 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 an appeal by the company the Appellate Deputy Commissioner (CT) Hyderabad, Rural Division has remanded back the appeal to the Asst. Commissioner (CT), Nalgonda for revision
10. The company is having accumulated losses as at 31st March, 2011 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 UIIC	2,51,625	4,58,156	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. 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.
17. According to the information and explanation 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.
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. 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

T. Lakshmi Narayana

Partner

Membership No:14674

Date: 30.05.2011

Place: Hyderabad

Balance Sheet as at 31st March 2011

Particulars	Schedule	AS AT March 31,2011 Rs.	AS AT March 31,2010 Rs.
I Sources of Funds			
1 Shareholders' Funds			
Share Capital	A	4,71,31,360	4,71,31,360
Reserves and Surplus	B	1,84,30,443	2,59,20,995
2 Loan Funds			
Secured Loans	C	13,26,39,126	11,87,33,237
Unsecured Loans	D	5,10,72,343	5,07,05,989
3 Deferred Tax Liability		1,04,54,535	95,75,804
Total		25,97,27,807	25,20,67,385
II Application of funds			
1 Fixed Assets			
Gross Block	E	21,59,17,634	21,56,58,528
Less: Depreciation		12,03,95,513	11,04,92,266
Net Block		9,55,22,121	10,51,66,262
Capital Work in progress		1,95,11,982	1,74,72,215
		11,50,34,103	12,26,38,477
2 Investment (Unquoted, at Cost)		98,45,000	98,45,000
3 Current Assets, Loans & Advances			
Inventories	F	11,32,00,396	8,12,79,797
Sundry Debtors	G	3,83,65,587	5,93,12,018
Cash and Bank Balances	H	2,19,74,767	1,90,08,030
Loans and Advances	I	2,56,83,667	2,40,33,127
		19,92,24,417	18,36,32,972
Less: Current Liabilities & Provisions			
Liabilities	J	6,01,14,339	5,58,93,827
Provisions	K	78,43,761	81,55,235
Net Current Assets		13,12,66,317	11,95,83,910
4 Profit and Loss Account		35,82,387	-
Total		25,97,27,807	25,20,67,387

Significant Accounting Policies and Notes on Accounts T

As per our report of even date

For SRB & ASSOCIATES

Chartered Accountants

 for and on Behalf of the Board
for Raasi Refractories Limited
T. Lakshmi Narayana

Partner

Membership No. 14674

Place:Hyderabad

Date : 30-05-2011

Ashok Kumar Agarwal

Executive Chairman

R.C. Biswas

Director-Operations

Profit and Loss Account for the year ended 31st March 2011

Particulars	Schedule	Year ended	Year ended
		March 31,2011	March 31,2010
		Rs.	Rs.
I INCOME			
(a) Sales	L	28,48,78,177	37,87,60,712
(b) Other Income	M	55,86,177	22,52,212
(c) Increase/(Decrease) in value of stock	N	2,57,23,045	38,77,795
Total		31,61,87,399	38,48,90,719
II EXPENDITURE			
(a) Raw materials consumed		17,55,88,406	22,55,57,139
(b) Stores & Spares consumed		90,79,640	1,00,14,022
(c) Power & Fuel	O	2,74,34,730	2,67,21,336
(d) Other Manufacturing Expenses		91,20,970	1,07,53,453
(e) Employees Remuneration & Benefits	P	2,28,23,823	2,03,16,227
(f) Repairs and Maintenance	Q	15,31,233	35,48,230
(g) Administrative and Other Expenses	R	1,12,61,516	89,59,965
(h) Excise Duty		2,35,49,405	2,81,73,557
(i) Sales Tax		64,92,000	1,14,56,221
Total		28,68,81,723	34,55,00,150
III Profit before interest, depreciation and taxes		2,93,05,676	3,93,90,569
Interest & Financial Expenses	S	2,91,69,973	2,63,20,491
Depreciation	E	1,03,29,911	1,03,45,371
IV Profit/(Loss) before Tax		(1,01,94,208)	27,24,707
Prior period adjustment (Exp)		-	-
Tax Expenses:		-	-
Current Tax		-	8,71,910
Deffered Tax		8,78,731	-
V Net profit/(Loss)		(1,10,72,939)	18,52,797
Brought forward profit/(loss)		74,90,552	57,83,994
Tax Short Provision for earlier Year		-	(1,46,239)
VI Profit/(Loss) carried to balance sheet		(35,82,387)	74,90,552

Significant Accounting Policies and Notes on Accounts T
As per our report of even date

For SRB & ASSOCIATES
Chartered Accountants

for and on Behalf of the Board
for Raasi Refractories Limited

T. Lakshmi Narayana
Partner
Membership No. 14674

Ashok Kumar Agarwal
Executive Chairman

R.C. Biswas
Director-Operations

Place:Hyderabad
Date : 30-05-2011

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Particulars	As at March 31,2011 Rs.	As at March 31,2010 Rs.
Schedule A		
Share Capital		
Authorised		
2,50,00,000 Equity Shares of Rs. 10/- each	25,00,00,000	15,00,00,000
	<u>25,00,00,000</u>	<u>15,00,00,000</u>
Issued, Subscribed & Paid-up		
47,13,136 (PY 47,13,136) Equity Shares of Rs. 10/- each	4,71,31,360	4,71,31,360
	<u>4,71,31,360</u>	<u>4,71,31,360</u>
Schedule B		
Reserves & Surplus		
Central Subsidy	15,00,000	15,00,000
Forfeiture of shares	30,443	30,443
Share Premium	1,69,00,000	1,69,00,000
Profit & Loss Account	-	74,90,552
Total	<u>1,84,30,443</u>	<u>2,59,20,995</u>
Schedule C		
Secured Loans		
Term Loans		
The New India Assurance Company Limited (NIA)	0	2,57,813
United India Insurance Company Limited (UIIC)	2,51,625	2,51,625
Term Loans from Banks		
SBBJ	18,24,205	40,97,984
SBI	27,03,124	79,93,349
Interest Accrued & Due	4,58,156	8,57,850
Cash Credit From Banks	12,74,02,016	10,52,74,616
Total	<u>13,26,39,126</u>	<u>11,87,33,237</u>
Schedule D		
Unsecured Loans		
From Body Corporate	5,10,72,343	5,07,05,989
Total	<u>5,10,72,343</u>	<u>5,07,05,989</u>

SCHEDULE 'E' FIXED ASSETS											
SL. NO.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 31/03/10	ADJUST DURING THE YEAR	DEDUC./ADJUST DURING THE YEAR	TOTAL UPTO 31/03/11	UPTO 31/03/10	ADJUST DURING THE YEAR	FOR THE YEAR	TOTAL UPTO 31/03/11	AS AT 31/03/11	AS AT 31/03/10
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	LAND & SITE DEVELOPMENT	24,44,792	.	443,135	20,01,657	.	.	.	.	20,01,657	24,44,792
2	BUILDINGS FACTORY	1,83,14,968	.	1,83,14,968	.	23,82,036	0	6,11,720	29,73,756	1,53,41,212	1,59,52,932
3	BUILDINGS OTHERS	2,05,57,682	.	2,05,57,682	.	39,48,784	0	3,35,090	42,83,874	1,62,79,808	1,66,08,898
4	PLANT & MACHINERY	15,81,99,815	3,95,451	15,85,95,266	.	9,73,87,520	0	83,65,122	10,57,52,642	5,28,42,624	6,08,12,295
5	FURNITURE & FIXTURES	22,28,887	20,000	22,48,887	.	13,95,262	0	1,41,856	15,37,118	7,11,769	8,33,625
6	OFFICE EQUIPMENT	17,21,120	2,53,800	18,74,920	.	10,56,863	0	1,39,805	11,96,668	7,78,252	6,64,257
7	LAB EQUIPMENT	88,54,938	.	88,54,938	.	25,16,865	0	4,67,541	29,84,406	58,70,532	63,38,073
8	WATER SYSTEMS	8,53,179	.	8,53,179	.	2,07,324	0	13,907	2,21,231	6,31,948	6,45,855
9	VEHICLES	24,83,146	615,512	5,82,520	25,16,137	16,17,613	4,26,665	2,54,871	14,45,819	10,70,318	8,65,532
	SUB TOTAL	215,658,526	12,84,763	1,025,655	21,59,17,634	11,04,92,287	4,26,665	1,03,29,911	12,03,95,513	9,55,22,121	10,51,66,259
10	CAPITAL WORK-IN-PROGRESS	17,472,215	2,206,207	166,440	19511982	.	.	.	.	19,511,982	1,74,72,215
	TOTAL	233130,741	3,490,970	1,192,095	23,54,29,616	11,04,92,287	4,26,665	1,03,29,911	12,03,95,513	11,50,34,103	12,26,38,475
	FIGURES FOR PREV. YEAR	214,774,172	18,356,569	23,31,30,741		10,01,46,894		1,03,45,371	11,04,92,266	12,26,38,475	114,627,279

	2010-11 Rs.	2009-10 Rs.
Schedule F		
Inventories		
Finished Goods	3,23,33,628	1,14,75,879
Work-in-progress	1,68,27,409	1,19,62,113
Raw Materials	5,25,46,982	5,11,91,598
Stores & Spares	71,07,388	50,75,333
Coal	35,24,680	14,35,077
Furnace Oil	70,794	1,39,797
Goods in Transit	7,89,515	-
Total	<u>11,32,00,396</u>	<u>8,12,79,797</u>
Schedule G		
Sundry Debtors (Unsecured & Considered good)		
Debts outstanding for a period exceeding 6 months	79,22,008	38,15,414
Others	3,04,43,579	5,54,96,604
Total	<u>3,83,65,587</u>	<u>5,93,12,018</u>
Schedule H		
Cash & Bank balances		
Cash & Stamps on hand	12,26,587	15,34,962
Balance in current accounts	22,52,903	11,53,676
Balance with Scheduled Banks in Margin money accounts	1,84,95,277	1,63,19,392
Total	<u>2,19,74,767</u>	<u>1,90,08,030</u>
Schedule I		
Other current assets, loans & advances (Unsecured & Considered good)		
Trade advances	75,26,918	75,26,918
Claims receivable	17,77,249	8,84,077
Income Tax paid (TDS)	4,72,472	2,96,463
Advances to Sales Tax	9,69,634	9,69,634
Deposit with Central Excise	52,31,989	56,84,880
Advances to Staff	19,01,740	11,29,515
Earnest Money Deposit	13,32,651	15,64,651
Prepaid Expenses	33,375	31,350
Security Deposit	29,37,139	29,45,639
Other Advances & Deposits	35,00,500	30,00,000
Total	<u>2,56,83,667</u>	<u>2,40,33,127</u>
Schedule J		
Current Liabilities		
(Including Liabilities for Capital Works)		
Liabilities		
Sundry Creditors(Net)		
Total outstanding dues to creditors other than SSI	4,45,60,292	4,95,90,447
Other Liabilities	41,80,218	35,50,445
Statutory Liabilities	1,13,73,829	27,52,935
Total	<u>6,01,14,339</u>	<u>5,58,93,827</u>

	2010-11 Rs.	2009-10 Rs.
Schedule K		
Provisions		
Provision for gratuity	80,23,787	64,33,791
Provision for Income Tax	<u>(1,80,026)</u>	<u>17,21,444</u>
Total	<u>78,43,761</u>	<u>81,55,235</u>
Schedule L		
Sales		
Export Sales	1,73,37,600	87,74,400
Domestic Sales	26,50,53,829	36,87,11,192
Self Consumption	24,86,748	12,75,120
Total	<u>28,48,78,177</u>	<u>37,87,60,712</u>
Schedule M		
Other Income		
Income on Sale of Fixed Assets	3,02,707	0
Interest received	11,46,189	7,15,304
Sale of Scrap	7,28,629	10,96,341
Gain /(Loss) on Forex Rate	1,56,351	86,057
Other Misc Income	<u>32,52,301</u>	<u>3,54,510</u>
Total	<u>55,86,177</u>	<u>22,52,212</u>
Schedule N		
Increase/(Decrease) in value of stock		
Work-in-progress		
Opening Stock	1,19,62,113	1,30,64,593
Closing Stock	<u>1,68,27,409</u>	<u>1,19,62,113</u>
	<u>48,65,296</u>	<u>(11,02,480)</u>
Finished Goods		
Opening Stock	1,14,75,879	64,95,604
Closing Stock	<u>3,23,33,628</u>	<u>114,75,879</u>
	<u>2,08,57,749</u>	<u>49,80,275</u>
Increase/(Decrease) in value of stock	<u>2,57,23,045</u>	<u>38,77,795</u>
Schedule O		
Power & Fuel		
Power	88,67,528	95,34,237
Fuel	1,85,67,202	1,71,87,099
Total	<u>2,74,34,730</u>	<u>2,67,21,336</u>

	2010-11 Rs.	2009-10 Rs.
Schedule P		
Employees Remuneration & Benefits		
Salaries & Wages	1,62,11,806	1,50,19,237
Other Benefits	44,45,119	47,16,649
Gratuity	21,66,898	5,80,341
Total	<u>2,28,23,823</u>	<u>2,03,16,227</u>
Schedule Q		
Repairs & Maintenance		
Vehicles	5,26,505	5,34,398
Plant & Machinery	5,75,517	26,38,835
Others	4,29,211	3,74,997
Total	<u>15,31,233</u>	<u>35,48,230</u>
Schedule R		
Administrative & Other Expenses		
Rent Rates & Taxes	7,58,996	10,51,378
Printing & Stationery	1,29,025	2,05,329
Postage, Telegrams & Telephones	7,89,917	6,84,870
Directors Travelling Expenses	2,18,370	2,80,233
Travelling Expenses Staff	11,98,074	11,65,229
Directors Remuneration	4,70,400	4,70,400
Insurance	2,97,734	2,99,746
Administrative Expenses	15,08,017	15,58,388
Statutory Audit Fee	1,50,000	1,50,000
Donations	21,116	15,000
Selling & Marketing Expenses	48,95,092	23,08,725
Legal & Professional Charges	8,24,775	7,58,468
Deferred Revenue Expenses w/off	-	12,199
Total	<u>1,12,61,516</u>	<u>89,59,965</u>
Schedule S		
Interest & Financial Expenses		
Interest on Term Loans Banks	22,95,159	26,95,544
Interest on OCC & Others	2,68,74,814	2,36,24,947
Total	<u>2,91,69,973</u>	<u>2,63,20,491</u>

SCHEDULE-T**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 the 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 management 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 Secured 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 State Bank of India, Commercial Branch, Hyderabad and United India Insurance Company Limited. The term loan of 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 financial institutions for the term loan availed from them.

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

	2010-11	2009-10
Salary	4,20,000	4,20,000
Provident Fund	50,400	50,400
Total	4,70,400	4,70,400

3. Payment to Auditors

	2010-11	2009-10
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)			2010-11	2009-10
Licensed Capacity p.a.			30,000	30,000
Installed Capacity p.a.			27,000	27,000
Finished Production			12,619	15,520
Opening Stock			1,125	787
Closing Stock			2,378	1,125
5. Sales		Quantity M/t	(Rs)	
	2010-11	2009-10	2010-11	2009-10
	Qty.	Qty	Value	Value
Export	800	400	1,73,37,600	87,74,400
Domestic	11,071	15,046	26,50,53,829	36,87,11,192
Internal Consumption	295	294	24,86,748	15,60,336
6. Raw Material Consumption				
	2010-11	2009-10	2010-11	2009-10
	Qty.	Qty.	Value	Value
Cal. Bauxite	2,469	862	3,36,14,886	1,29,40,600
Grog	1,874	3,050	35,09,063	81,51,271
Others	—	—	13,84,64,457	<u>20,44,65,268</u>
Total			17,55,88,406	<u>22,55,57,139</u>
7. Value of Raw Materials, Stores and Spares consumed				
	2010-11	2009-10	2010-11	2009-10
<u>Raw Material</u>	Qty.%	Qty.%	Value	Value
Imported	2.09	1.91	36,63,971	42,61,193
Indigenous	97.91	98.09	17,19,24,435	22,12,95,946
Stores Indigenous	100	100	90,79,640	1,00,14,022
8. Value of Imports on CIF basis				
			2010-11	2009-10
Raw Materials			34,27,818	39,30,415
Machinery			-	-
9. Expenditure in Foreign Currency				
Bank Charges			20,699	26,097
Commission on Sales			7,17,263	5,78,149
10. Earning in Foreign Exchange				
Export of goods on FOB Basis			1,54,37,681	80,62,560
11. Contingent Liabilities				
Contingent Liabilities not provided for:				
a) Outstanding Bank Guarantee			4,29,74,045	3,18,19,702
b) Income Tax for F/Y 2010 - 11			13,40,608	-
c) Sales Tax for F/Y 2004 - 05			24,99,538	24,99,538

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 Unquoted, At Cost, Equity :**
 (a) 32,900 Shares of Rs 10/- each of Iceberg Aqua Pvt. Ltd at a premium of Rs. 40/- each.
 (b) 4,10,000 Shares of Rs. 10/- each of Iceberg Foods Ltd. At a premium of Rs. 10/- each.
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:

<u>A. Name of the Related Party</u>	<u>Relation Ship</u>
Mr. Ashok Kumar 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

<u>B. Transaction during the year</u>	2010-11	2009-10
(i) Sale of finished goods / raw materials / services (net of discounts) Associate Companies	Rs. 1,49,74,365	Rs. 2,68,71,749
(ii) Interest paid/ provided for Associate Company	Rs. 4,07,060	Rs. 4,03,429
(iii) Advances Given to Associate Company	Rs. -	Rs. -
(iv) Purchase of Goods/Service from Associate Companies	Rs. 11,09,75,565	Rs. 23,65,84,741
(v) Purchase of Share	Rs. -	Rs. -
(vi) Outstanding Balances as at the year end :		
(a) Debtors/ Receivables	Rs. 14,80,46,187	Rs. 30,61,93,918
(b) Creditors/Payable	Rs. 34,34,80,897	Rs. 46,80,68,899
(c) Un Secured Loan taken	Rs. 5,10,72,343	Rs. 50,75,989

15. The amount of Rs.24,86,748/- shown against self consumption sales in schedule L pertains to consumption of refractory material towards maintenance of R. C Kilin.
16. The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, have been ascertained to the extend such parties were identifiable from the information available with company and the outstanding to such units for more than 30 days as on 31.03.2011 are null.
17. The management of the company considers all the receivables and 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 necessary.

For SRB & ASSOCIATES
Chartered Accountants

T.Lakshmi Narayana
Partner
Membership No. 14674

Place:Hyderabad
Date : 30-05-2011

for Raasi Refractories Limited

Ashok Kumar Agarwal
Executive Chairman

R.C. Biswas
Director-Operations

CASH FLOW STATEMENT FOR THE YEAR 2010-11

	(Rs. In Lakhs)	
	2010-2011	2009-2010
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	(101.94)	27.25
ADJUSTMENT FOR:		
Depreciation	103.30	103.45
Interest Expenses	291.70	263.20
Deferred Revenue expenditure written off	-	0.12
Provision for Gratuity	21.67	5.80
Interest income	(11.46)	(7.15)
Operating Profit before working capital changes	<u>303.27</u>	<u>392.68</u>
Adjustment for Movement in working capital		
(increase)/Decrease in Sundry Debtors	209.46	163.79
(increase)/Decrease in Other current Assets, Loans and Advances	(16.50)	(54.31)
(increase)/Decrease in Inventories	(319.21)	(71.45)
increase/(Decrease) in Current Liabilities	17.42	76.97
Cash generated from Operation	<u>194.44</u>	<u>507.67</u>
Income Taxes/ Fringe Benefit Tax	-	(10.18)
Net Cash flow from Operating Activities	<u>194.44</u>	<u>497.48</u>
B CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES		
Purchase of Fixed Assets	(27.25)	(183.57)
Interest Received	11.46	7.15
Net Cash used in Investing Activities	<u>(15.79)</u>	<u>(176.41)</u>

CASH FLOW STATEMENT FOR THE YEAR 2010-11

(Rs. In Lakhs)

	2010-2011	2009-2010
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Cash Credits	221.27	90.87
Proceeds/(repayments) of Short term Borrowings	(4.00)	(4.61)
Increase/(Decrease) of Long term Borrowings	(74.55)	(73.10)
(Increase)/Decrease in Fixed Deposit with Bank	(21.76)	(76.36)
Interest Paid	(291.70)	(263.20)
Net Cash from Financing Activities	<u>(170.74)</u>	<u>(326.40)</u>
Net Increase/ (Decrease) in Cash and Cash equivalents	7.91	(5.33)
Cash and Cash Equivalents as at 1st April (Opening Balance)	26.88	32.21
Cash and Cash Equivalents as at 31st March (Closing Balance)	<u>34.79</u>	<u>26.88</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.Lakshmi Narayana
 Partner
 Membership No.14674

Ashok Kumar Agarwal
 Executive Chairman

R.C. Biswas
 Director-Operations

Place: Hyderabad
 Date : 30-05-2011

CERTIFICATE

We have examined the attached Cash Flow Statement of Raasi Refractories Limited for the period ended 31st March, 2011. 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 30-05-2011 to the members of the Company.

Date: 30-05-2011
 Place: Hyderabad

For **SRB & ASSOCIATES**
 Chartered Accountants

T. Lakshmi Narayana
 Partner
 Membership No. 14674

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS AT 31ST MARCH, 2011

I.REGISTRATION DETAILS :

State Code: 01

Registration No.	3339
Balance Sheet Date	31st MARCH 2011
	Date Month Year

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

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL		

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

Total Liabilities	Rs. 259728	Total Assets	Rs.259728
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Source of Funds :

Paidup Capital	Rs. 47131	Secured Loans	Rs.132639
Reserve & Surplus	Rs. 18430	Unsecured Loans	Rs. 51072

Application of Funds:

Net Fixed Assets	Rs.115034	Net Current Assets	Rs.131266
Investments	Rs. 9845	Differed Tax +(-)	Rs.(10455)
		Accumulated Losses	Rs. NIL

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

Turnover	Rs. 316187	Profit/ (Loss) Before Tax	Rs. (10194)
Total Expenditure	Rs. 326381	Profit/ (Loss) After Tax	Rs. (11073)
Earnings per Share	Rs. (2.35)		

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 REFRACTORIES LIMITED

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

ATTENDANCE SLIP

TWENTY NINTH ANNUAL GENERAL MEETING OF THE COMPANY

Dp.Id* Folio No.....

Client Id* No.of Shares.....

I hereby record my presence at the TWENTY NINTH ANNUAL GENERAL MEETING of the Company being held on Friday, the 30th September, 2011 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 REFRACTORIES 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 REFRACTORIES 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 NINTH ANNUAL GENERAL MEETING of the Company held on Friday, the 30th September, 2011 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 _____ 2011

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
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If undelivered please return to:



RAASI REFRATORIES LIMITED

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

Website: www.raasi.in