31st
ANNUAL REPORT
2012-2013

RASI
REFRACTORIES

RAASI REFRACTORIES LIMITED

RAASI REFRACTORIES LIMITED

BOARD OF DIRECTORS

1.	Sri. Ashok Kumar Agarwal	Executive Chairman
2.	Sri. Murali Dhar Agarwal	Director
3.	Sri. Pramod Kumar Agarwal	Director
4.	Sri. Rabindra Chandra Biswas	Director
5.	Sri. Rajendra Prasad Kandikattu	Nominee Director

AUDIT COMMITTEE

1.	Sri. Murali Dhar Agarwal	Chairman
2.	Sri. Rabindra Chandra Biswas	Member
3.	Sri. Pramod Kumar Agarwal	Member

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

1.	Sri. Murali Dhar Agarwal	Chairman
2.	Sri. Rabindra Chandra Biswas	Member
3.	Sri. Pramod Kumar Agarwal	Member

REMUNERATION COMMITTEE

1.	Sri. Murali Dhar Agarwal	Chairman
2.	Sri. Rabindra Chandra Biswas	Member
3.	Sri. Pramod Kumar Agarwal	Member

AUDITORS

M/S SRB & Associates
Chartered Accountants
I.C.A.I. Regn. No.310009E
403, Pavani Plaza
5th Floor, 6-2-984,
Khairtabad, Hyderabad - 500004

COST AUDITORS

M/S PCR & Associates, Cost Accountants
11-5-293/1, 1st Floor, H.P Road,
Beside Good luck Hotel, Moosapet,
Hyderabad - 500018

REGISTERED OFFICE

6-3-349/20, Alpha Business Centre, II 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 - 508254

REGISTRARS & TRANSFER AGENTS

Aarthi Consultants Private Limited
1-2-285, Domalguda, Hyderabad
Tel No. 91-40-27638111, 27634445
Fax No. 91-40-27635184
Website: www.aarthiconsultants.com

LISTING

The Hyderabad Stock Exchange,
Bombay Stock Exchange Limited

ANNUAL GENERAL MEETING

Date: 30th September,2013
Time: 3.30P.M
Venue: Bhaskara Auditorium,
B.M. Birla Science Centre,
Adarsh Nagar, Hyderabad-500063

BOOK CLOSURE

23rd September, 2013 to 30th September, 2013.

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NOTICE

Notice is hereby given that the **Thirty First Annual General Meeting** of the members of M/S Raasi Refractories Limited will be held on Monday, the 30th day of September, 2013 at 3:30 P.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 on 31st March 2013, 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. Murali Dhar Agarwal who retires by rotation and being eligible offers himself for reappointment.

3. 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, having I.C.A.I Registration number 310009E be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto 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 expense.

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

Date: 14.08.2013
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 23rd September, 2013 to 30th September, 2013 (both days inclusive)

7. Members desiring any information as regards accounts are requested to write to the Company atleast seven days before the date of the meeting to enable the management to keep the information ready at the meeting.

8. Members attending the meeting are requested to complete and bring the attendance slips enclosed with the annual report and hand over the same at entrance of the meeting hall duly signed.

9. Re-appointment of Directors
   Sri. Murali Dhar Agarwal, Director of the company retired by rotation at the ensuing Annual General Meeting, and being eligible offer himself for re-appointment.

   Sri Murali Dhar Agarwal aged about 54 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.

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

Date: 14-08-2013
Place: Hyderabad

Ashok Kumar Agarwal
Executive Chairman

DIRECTORS' REPORT

Dear Members,

Your Directors present the **Thirty First Annual Report** on the business and operations of the Company and the audited statements of the accounts for the year ended 31st March 2013.

1. FINANCIAL RESULTS AND OPERATIONS:

The summarized financial results for the year ended 31st March 2013 as compared with the previous year are as under :-

(Rs. In lakhs)

PARTICULARS	For the year 2012 -13	For the year 2011 -12
a. Revenue from operation (excluding excise & sales tax)	**3584.41**	2159.86
b. Profit before interest, depreciation and taxes	**191.33**	420.50
c. Interest	**286.03**	303.82
d. Depreciation	**103.93**	103.36
e. Profit before tax	**(198.63)**	13.32
f. Prior period adjustments (net)	**0.00**	0.00
g. Provision for taxation:		
- Current	**0**	10.99
- Deferred	**0**	0.00
h. Net profit/(loss)	**(198.63)**	2.32

Your Company has achieved the gross turnover of Rs. 4015.94 lakhs as against a turnover of Rs.2366.26 lakhs achieved during the previous financial year. The Company has incurred a Net loss of Rs 198.63 lakhs during the year under review as against the Net Profit of Rs. 2.32 lakhs 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 perpetual strive of the service personnel for improvement.

3. INDUSTRY OUTLOOK

The growth in steel sector has been stagnent due to general slowdown in the infrastructure & other Engineering sector this year. It is expected that their will be improvement in demand.

4. DIRECTORS

At the ensuing Annual General Meeting, Sri. Murali Dhar Agarwal Director of the Company will be retiring by Rotation and being eligible offer himself for reappointment in terms of Section 256 of the Companies Act, 1956.

Sri. Murali Dhar Agarwal, the director of the company is not disqualified for being appointed as director as specified in Section 274 of the Companies Act, 1956. Your Board of Directors recommends his reappointment

5. DIRECTORS' RESPONSIBILITY STATEMENT

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

a. That in the preparation of the accounts for the financial year ended 31st March, 2013; the applicable accounting standards have been followed along with proper explanation relating to material departures.

b. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of state of affairs of the company as at March 31, 2013 and of the loss of the Company for the year under review.

c. That the Directors have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d. That the Directors have prepared the accounts for the financial year ended 31st March, 2013 on a going concern basis.

6. AUDITORS

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

7. COST AUDITORS

Pursuant to the direction from the Ministry of Corporate Affairs and section 224 (1-B) & 233B of the Companies Act,1956 for appointment of Cost Auditors, your Board of Directors have reappointed M/s. PCR & Associates, Cost Accountants, Hyderabad, as the Cost Auditor for the year 2013-2014.

8. 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 on the balance sheet date.

9. DIVIDENDS

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

10. 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.

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. Refractory Industry in India is now getting consolidated. Major manufacturers in terms of volume are foreign owned companies. The turnover of such companies was 60% of total turnover of the Industry. This has brought or is likely to bring several new products and technology in the country for refractories used in steel making. The refractory industry is moving along with a mixed bag of project and maintenance requirement. The raw material pricing and supply continues to worry. However, the positive trend in projects is taking concrete shape, refractory installation activity is picking up and new facility is nearing completion in some upcoming steel projects. Looking forward to a growth filled 2013-14

(B) Opportunities and threats

Opportunities in the refractories industry:

The refractories industry largely follows trends set by its main driver, the steel industry. Iron and steel production is responsible for up to 70% of the total demand for Refractories, therefore the profitability of the refractories industry as a whole is strongly influenced by steel production levels and steel plant investments. There is a steep fall in the demand for steel due to a decline in the infrastructure sector, while the short term outlook remains problematic because of the global economic situation; there could be an upturn in the second half of 2013, with realistic and sustainable growth in steel production and in other key end-user industries through to 2017. Indeed, there may even be a short-term surge in demand for refractories once confidence recovers because of new capital investment and refurbishment of idled equipment.

Threats in the Refractories industry:

Absence of clear cut policy on iron ore mining has led to closure of steel plants, especially those based on sponge iron as feed material. If this situation continues, the expected growth in steel may not materialize at desired pace. Another major issue for refractory business is from the small scale industries. These industries are expanding their operations at a rapid pace and are presently ready to compete with large scale industries. Also these industries are coping up with the technological changes taking place in the industry and given the amount of support received from the government for their upliftment, these SSIs definitely seem to be a threat in the near future. Your Company is taking steps to take on the challenges and strengthen its brand image in neighboring states as well as in Andhra Pradesh where the Company is already a brand leader.

(C) Segment or Product wise Performance:

Your company operates in only one business segment and one product viz., refractories.

(D) Outlook:

Market outlook in future for refractory seems good. Per capita consumption of steel in India is being far below in comparison to the international standards. It is expected that the demand for increase of domestic steel production will be robust and this will have positive impact in refractory consumption. Growth in real estate and consumer durable sector will lead to increase in cement, glass and special alloys production. This will also necessitate use of better quality refractories. Though there is stiff competition in Euro market, the quality and delivery of the products of the Company has helped in creating a specific market. With this background and references of application, it will be possible to penetrate export markets by adding new customers and offering better products. Your Company's effort to keep pace with changing technology which offer superior product will ensure not only retention of existing business but also increase the business volume wherever such products are used.

(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. Mushroom growth in refractory industries in the unorganized sector has brought in unhealthy competition within the industry. Standardization of shapes and size of refractory bricks is essential for smooth production and inter-changeability in the industry.

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 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. 4015.94 lakhs as against a turnover of Rs.2366.26 lakhs achieved during the previous financial year. The Company has incurred a Net loss of Rs 198.63 lakhs during the year under review as against the Net Profit of Rs. 2.32 lakhs during the previous financial year.

(H) Material developments in Human Resources/Industrial Relations front

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. Your Company continues to maintain a constructive, motivated and positive relationship with its employees to improve productivity and efficiency. Your Company is taking all steps to retain employees by improving facilities including self-contained housing with amenities and provide them with high performance environment. Attrition rate is low as-compared to the industry trend.

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.

14. CERTIFICATE

The company has obtained a compliance certificate in accordance with the provisions of Section 383A of Companies Act 1956. The certificate is attached there to.

15. 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.

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

For and on behalf of the board

For **RAASI REFRACTORIES LIMITED**

Date: 14-08-2013 **Ashok Kumar Agarwal**

Place: Hyderabad **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.

		2012-13	2011-12
A	**Power and Fuel consumption**		
1.	Electricity		
	a) Purchased		
	I) Unit (kwh)	9,46,500	9,65,205
	ii) Total Amount (Rs.)	62,50,279	53,89,478
	iii) Rate/unit (Rs.)	6.60	5.58
	b) Own Generation		
	I) Through diesel generator		
	i) Unit(kwh)	1,89,122	38,642
	ii) Units per ltr.of diesel oil	2.08	2.54
	iii) Cost/unit (Rs.)	25.42	17.64
	II) Through steam turbine/ generator	Not Applicable	
	I) Unit(kwh)		
	ii) Units per ltr.of fuel oil/ gas		
	iii) Cost/unit (Rs.)		
2.	Coal (specify qual ity and where used)	'C' and 'D ' Round grade coal used in gas producer plant and also in the draft kilns.	
	i) Quantity (M. tonnes)	3494	3968
	ii) Total Cost (Rs.)	1,64,44,404	1,04,27,514
	iii) Average Rate (Rs.)	4706	2928
3.	Furnace Oil		
	i) Quantity (ltrs)	5942	19550
	ii) Total Amount (Rs.)	2,86,781	8,94,348
	iii) Average Rate (Rs.)	48.26	45.75
4.	Others/ internal generation	Not Applicable	
	i) Quantity		
	ii) Total Cost (Rs.)		
	iii) Rate/ Unit (Rs.)		
B	Consumption per unit of production Standards		
		2012-13	2011-2012
	Products - Refractory all types (in M.T.)	12845	9721
	Electricity (Units)	88.41	103.27
	Furnace oil in Ltrs	0.46	2.01
	Coal - C & D grade in KGs	272	408
	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 had a tie up with TRL Krosaki Refractories Ltd 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.
2	Benefits derived as a result of the above R & D	With this arrangement the company got 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 6 lakhs has been incurred during the year 2012-13 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.
   (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.

Not Applicable

The company is participating in global tenders in various countries.During the year your Company has taken aggressive steps to increase business by entering into new areas for next years by deputing itssenior techno-commercial teams to understand the customers' pain areas and also to venture into new areas like Ladles & Converters.

The steps taken by the Company in this regard looks promising.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.

Total foreign Exchange used and earned			**2012-13**	2011-12
I.	Earnings:	USD $	-	**-**
	Export of finished goods	INR Rs.	-	**-**
II.	Outgo	USD $	96,313.60	**1,51,389**
		INR Rs.	52,69,317	**69,43,794**
	Bank Charges	USD $	-	**111**
		INR Rs.	-	**5,103**
	Commission on sales	USD $	-	**-**
		INR Rs,	-	**-**

COMPLIANCE CERTIFICATE

Company Number : L26920AP1981PLC003339
Nominal Capital : Rs. 25, 00, 00,000 (Rupees Twenty Five Crores only)

To,
The Members,
M/s. **Raasi Refractories Limited**
6-3-349/20, Alpha Business Centre, 2nd Floor,
Road No. 1, Banjara Hills,
Hyderabad - 500034,
Andhra Pradesh.

I have examined the registers, records, books and papers of **M/s. RAASI REFRACTORIES LIMITED (**the “Company”) as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2013 (i.e. from 1st April, 2012 to 31st March, 2013). 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 recorded.

2. The Company has filed the forms and returns as stated in ***Annexure ‘B’*** to this Certificate, with the Registrar of Companies during the financial year under review. However, the Company has not filed any forms with the Regional Director, Company Law Board, Central Government or such other authorities as informed to me.

3. The Company being a Public Limited Company comments are not required to be furnished regarding minimum capital, maximum number of members and invitation to public for subscription of shares and acceptance of deposits during the financial year.

4. The Board of Director duly met 4 (Four) times on 30th May,2012, 13th August, 2012, 6th November, 2012, and 4th February, 2013 in respect of which meetings proper notices were given and the proceedings were recorded and signed in the Minutes Book maintained for the purpose.

5. The Company closed its Register of Members from 22nd September, 2012 to 29th September 2012 (both days inclusive) and necessary compliance of Section 154 of the Act has been made during the financial year.

6. The Annual General Meeting for the financial year ended on 31st March 2012 was held on 29th September, 2012 after giving due notice to the members of the Company and other concerned and the resolutions passed thereat were recorded in the Minutes Book maintained by the Company.

7. No Extra Ordinary general meetings were 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 during the financial year.

9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act during the financial year under review.

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 during the financial year.

12. The Board of Directors has not issued any duplicate share certificates during the financial year.

13. The Company has:

    (I) Not allotted any shares during the financial year. However, the Company has received shares for transfers and necessary compliance has been made for the same.

    (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 of the company as no dividend was declared during the financial year.

    (iv) The Company was not required to transfer any amounts to Investor Education & Protection Fund during the financial year.

    (v) Generally complied with the provisions of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. The Company has appointed Nominee director on the Board and has not appointed any additional directors, alternate directors & directors to fill casual vacancy during the financial year.

15. The Company has not appointed any Managing Director / Whole-time Director/ Manager during the financial year.

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

17. The Company was required to obtain approval of the Regional Director for delay in filing satisfaction of charges with the Registrar Companies 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 any equity shares during the financial year under review.

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

21. The Company has not issued any preference shares and therefore redemption of the same during the financial year does not arise.

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 during the financial year.

23. The Company has not invited / accepted any deposits from the public falling within the purview of Section 58A of the Act during the financial year.

24. The amount borrowed by the Company from financial institutions and banks during the financial year ended 31st March 2013, are within borrowing limits of the Company and that necessary resolutions as per Section 293 (1) (d) of the Act have been passed in duly convened annual general meeting.

25. The Company has not made loans and investments or given guarantee or provided securities to other bodies corporate and consequently no entries have been made in the register kept for this purpose.

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 financial year under review.

27. The Company has not altered the provisions of the Memorandum with respect to the Objects of the Company during the financial year under review.

28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year under review.

29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the financial year under review.

30. The Company has not altered its Articles of Association during the financial 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 deposited both Employee’s and Employer’s contribution to Provident Fund with the prescribed authorities pursuant to Section 418 of the Act.

PLACE: HYDERABAD
DATE: 14th August, 2013

Name of the Company Secretary: **NITHYAKALYANI. M**
C.P.No.10712

ANNEXURE - A

Statutory Registers as maintained by the Company

Sl. No.	Section	Name of the Register
1	150	Register of Members
2	303	Register of Directors, Managers, Secretary and Companies /Firms in which Directors are Interested
3	307	Register of Directors’ Share Holdings
4	301	Register of Contracts
5	193	Minutes of the Board and General Meetings
6	-	Attendance Register for Board and General Meeting
7	143	Register of Charges u/s 143

Annexure-B

Forms filed with the Registrar of Companies during the financial year ending 31st March 2013 (i.e., from 01st April, 2012 to 31st March, 2013)

SL. No.	Form No.	Filed under Section	For
1.	23AC / 23ACA	220	Balance Sheet as at 31st March, 2012 and Statement of Profit & Loss for the year ended 31st March, 2012
2.	20B	159	Annual Return as on 29th September, 2012
3.	66	383A	Secretarial Compliance Certificate for the year 2011 - 12
4.	Form 17	138	Satisfaction of charge filed on 16th October, 2012
5.	Form 17	138	Satisfaction of charge filed on 26th January, 2013
6.	Form 17	138	Satisfaction of charge filed on 03rd February, 2013
7.	Form 17	138	Satisfaction of charge filed on 07th February, 2013
8.	Form 17	138	Satisfaction of charge filed on 08th February, 2013
9.	Form 17	138	Satisfaction of charge filed on 08th February, 2013
10.	Form 17	138	Satisfaction of charge filed on 08th February, 2013
11.	Form 17	138	Satisfaction of charge filed on 08th February, 2013
12.	Form 17	138	Satisfaction of charge filed on 08th February, 2013
13.	Form 17	138	Satisfaction of charge filed on 08th February, 2013
14.	Form 32	303 (2)	Appointment of Nominee Director filed on 20th September, 2012
15.	Form 32	303 (2)	Resignation of Director filed on 19th January, 2013

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 stakeholder'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 more than 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 37 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, Barbil Ventures Private Limited and B P Nirmann Private Limited.

Sri Murali Dhar Agarwal aged about 54 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 R.C. Biswas aged about 67 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 Private Ltd.

Sri. Rajendra Prasad Kandikattu aged about 56 is a Nominee director of Raasi Refractories limited and is the representative of APIDC. He is a director on the board of M/S Andhra Pradesh Heavy Machinery & Engineering Ltd, M/S Incap Ltd, M/S Krebs Biochemicals Ltd, M/s Lanco Industries Ltd, M/s Sagar Cements Ltd, M/s Restile Ceramics Lts and M/S Vista Pharmaceuticals Ltd .

Other information regarding the Board is given below:

No. of other Directorships and Committee Memberships /Chairmanships				
Name of the director	Category	Other directorships	Committee memberships	Committee chairmanships
Ashok Kumar Agarwal	Promoter & Executive Chairman	4	Nil	Nil
Sri Murali Dhar Agarwal	Independent & non - executive	3	3	3
Sri R.C. Biswas	Non - indepe ndent & executive	Nil	3	Nil
Sri Pramod Kumar Agarwal	Independent & non - executive	5	3	Nil
Sri Rajendra Prasad Kandikattu	Nominee director	6	3	Nil

2.2 Meetings and attendance

During the year 2012-13, Four 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 29th, 2012
Sri Ashok Kumar Agarwal	30.05.2012	4	Yes
Sri Pramod Kumar Agarwal	13.08.2012	3	No
Sri Rabindra Chandra Biswas	06.11.2012	4	Yes
Sri Murali Dhar Agarwal	04.02.2013	4	No
Sri Rajendra Prasad Kandikattu		1	No

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 2 non-executive directors' viz., Sri Murali Dhar Agarwal, Sri Pramod Kumar Agarwal and 1 executive director's viz., Sri Rabindra Chandra Biswas. Sri Murali Dhar Agarwal is the Chairman of the Committee.

During the year 2012-13 four meetings of the committee were held. The composition and attendance in the committee is as under:

Name of the director	Positi on held in the company	Committee meetings held on	No. of committee meetings attended
Sri. Murali Dhar Agarwal	Chairman of the committee	30/05/2012	4
		13 /08/2012	
Sri. Pramod Kumar Agarwal	Member		4
		06 /11/2012	
Sri. Rabindra Chandra Biswas	Member	04 /02/2013	2

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 Murali Dhar Agarwal, Sri Pramod Kumar Agarwal and Sri Rabindra Chandra Biswas. Sri Murali Dhar 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 & and 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 30th May, 2012. The decisions 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	Positi on held in the company	Committee meetings held on	No. of committee meetings attended
Sri. Murali Dhar Agarwal	Chairman of the committee		1
Sri. Pramod Kumar Agarwal	Member	30/05/2012	1
Sri. Rabindra Chandra Biswas	Member		

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-à-vis the industry and talents of the appointee. Sri. Rajendra Prasad Kandikattu is entitled to sitting fees of Rs.2,000. No Director other than Sri. R.C. Biswas, the Director Operations of the Company is paid any remuneration.

Details of remuneration/sitting fees paid to the Directors for the year ended 2012-13 are given below.

Name	Sitting fee Rs.	Salary, Perquisites and allowance Rs.	Stock Options Rs.
Sri. Ashok Kumar Agarwal	-------	NA	Nil
Sri Murali Dhar Agarwal	-------	NA	Nil
Sri. Rabindra Chandra Biswas	-------	4,70,400	Nil
Sri. Pramod Kumar Agarwal	-------	NA	Nil
Sri. Rajendra Prasad Kandikattu	2000	NA	Nil

5. Shareholders/Investors' Grievance committee

During the year 2012-13, the Shareholders/Investors Grievance Committee met 5 times on 30th April, 2012, 15th September, 2012, 25th October, 2012, 09th November, 2012 and 28th November, 2012

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 2012-2013
Sri. Murali Dhar Agarwal	Chairman	5
Sri. Rabindra Chandra Biswas	Member	2
Sri. Pramod Kumar Agarwal	Member	5

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 2013. All the valid requests for transfer of shares were considered for transfer. There were no share transfers pending as on 31.03.2013.

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 14/08/2013.

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
2011-12	Bhaskara Auditorium, B.M. Birla Science Centre, Adarsh Nagar, Hyderabad- 500 063	29.09.2012 at 11.00 A.M	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
2010-2011	Bhaskara Auditorium, B.M. Birla Science Centre, Adarsh Nagar, Hyderabad- 500 063	30-09-2011 at 11.00 A.M	NONE
2009-2010	Bhaskara Auditorium, B.M. Birla Science Centre, Adarsh Nagar, Hyderabad- 500 063	27-09-2010 at 11.00 A.M	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). 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) andfix their remuneration.

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 2012-13, 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, imposed on the company by the stock exchanges, or any other statutory authority or 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 Business Standard (English Edition) and Praja Sakthi (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. According to the SEBI Circular dated April 16, 2010 vide Circular Number CIR/CFD/DCR/3/2010, the EDIFAR System has been discontinued with effect from April10, 2010 and the same is replaced by Corporate Filing and Dissemination System (CFDS).

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 in 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 31st annual general meeting

Date and time	: Monday, the 30th September, 2013 at 3.30 PM
Venue	: B.M Birla Science Centre, Adarsh Nagar, Hyderabad-500 063
	As required under clause49VI(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 2013.

b. Financial calendar (tentative)

Financial year	: 1st April 2013 to 31st March 2014
First quarter results	: August 2013
Second quarter results and half yearly results	: November 2013
Third quarter results	: February 2014
Last quarter results/ Audited results	: May 2014
c. Dates of books closure	: 23rd September 2013 to 30th September 2013
d. Dividend payment date	: Not applicable

e. Listing on stock exchanges

The company's securities are listed on	**:** The Hyderabad stock exchange limited (stock code-RRL) Bombay stock exchange limited (stock code-502271)
f. ISIN Numbers in NSDL & CDSL for Equity shares	**:** INE858D01017
g. Listing fee	: The company has paid its annual listing fees to Bombay stock exchange limited for the financial year 2012-13
h. Market price data	High/low price quotation in each month of the financial year 2012-13 on the Bombay stock exchange is given below. There is no trading in the Hyderabad stock exchange, hence no quotation for the year 2012-13

Month	High (Rs.)	Low (Rs.)
April 2012	9.00	9.00
May 2012	9.10	8.14
June 2012	8.60	6.57
July 2012	6.89	5.25
August 2012	5.01	4.41
September 2012	5.25	4.41
October 2012	5.29	4.36
November 2012	4.79	4.06
December 2012	4.94	4.00
January 2013	5.70	3.91
February 2013	4.95	3.64
March 2013	6.78	3.49

Source: www.bseindia.com

I. Registrars and Transfers Agents (RTA) Aarthi Consultants (P) Ltd.

1-2-285, Domalguda, Hyderabad- 500 029

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

j. Share Transfer System

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

k. Distribution of shareholding as on 31st March 2013.

S. No.	Category	Holders	Holding Percentage	Shares	Amount Rs.	% of Amount
1.	1 —— 5000	5611	95.56	519739	5197390	11.03
2.	5001 —— 10000	117	1.99	92672	926720	1.97
3.	10001 —— 20000	67	1.14	101926	1019260	2.16
4.	20001 —— 30000	22	0.37	56396	563960	1.20
5.	30001 —— 40000	16	0.27	57017	570170	1.21
6.	40001 —— 50000	11	0.19	53170	531700	1.13
7.	50001 —— 100000	13	0.22	92390	923900	1.96
8.	100001 & Above	15	0.26	3739826	37398260	79.35
	TOTAL	5872	100.00	4713136	47131360.00	100.00

Shareholding Pattern as on 31st March, 2013

Category	No. of Shares held	Percentage of Shareholding
Promoters holding 1. Promoters Indian Promoters Foreign Promoters 2. Persons acting in concert	2387220	50.65
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) c. FII'S	2950 95825	0.063 2.037
Sub-Total	98775	2.10
4. Others a. Corporate Bodies b. Indian Public c. NRIs/OCBs d. Trusts e. Clearing Members	 1043496 1175100 8233 0 312	 22.14 24.93 0.17 0.00 0.01
Sub-Total	2227141	47.25
Grand Total	4713136	100

l. 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/ Warrants or any convertible Instruments, conversion date and likely impact on equity — Not applicable

n. Plant Locations	The Company's plant is located at: Lakshmipuram, Narketpally, Nalgonda District, Andhra Pradesh-508 254
o. Address for Correspondence	Raasi Refractories Limited 6-3-349/20, Alpha Business Centre II Floor, Road No.1, Banjara Hills Hyderabad-500 034 Ph: 040-23355462
p. Investor Correspondence *For transfer in physical form Aarthi 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 REFRACTORIES LIMITED**

Date: 14-08-2013	**Ashok Kumar Agarwal**	**R. C. Biswas**
Place: Hyderabad	**Executive Chairman**	**Director**

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, 2013.

Place: Hyderabad
Date: 14-08-2013

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, 2013.
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 Generally 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: 14-08-2013	**Ashok Kumar Agarwal**	**Sistla Subrahmanya Sastry**
Place: Hyderabad	**Executive Chairman**	**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, 2013 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
I.C.A.I Regn. No.310009E

Date: 14-08-2013
Place: Hyderabad

T. Lakshmi Narayana
Partner
Membership No: 14674

INDEPENDENT AUDITOR'S REPORT

To
The Members of
RAASI REFRACTORIES LIMITED
HYDERABAD

Report on the Financial Statements

We have audited the accompanying financial statements of **RAASI REFRACTORIES LIMITED** which comprise the Balance sheet as at 31st March 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) In the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and

(c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
   e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
   f. Since the central government has not issued any notification as to the rate at which the cess is to be paid under section 441a of the Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

For SRB & ASSOCIATES
Chartered Accountants
I.C.A.I Regn. No.310009E

T. Lakshmi Narayana
Partner
Membership No: 14674

Date: 30-05-2013
Place: Hyderabad

The Annexure referred to in paragraph 1 of the Auditors' Report of even date to the members of RAASI REFRACTORIES LIMITED on the financial statement for the year ended 31st March, 2013.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   (b) Fixed assets are physically verified by the management according to a phased programme designed to cover all the fixed assets once a year, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed.

   (c) In our opinion and according to the information and explanations given to us, no substantial part of fixed assets has been disposed off by the Company during the year.

2. (a) The inventory has been physically verified by the management during the year-end. In our opinion, the frequency of verification is reasonable.

   (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

   (c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material.

3. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section301 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 418.15 lacs as against the outstanding balance of Rs 414.42 lakhs outstanding at the end of the previous year.

   (ii) Unsecured interest free loan taken from M/S Sarvesh Refractories Ltd during the previous 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 purchase of such contracts or arrangements and exceeding Rs. five lakhs in respect of any party during the year, which have been made at prices which are not reasonable having regard to the prevailing market prices at the relevant time.

6. The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

8. According to information and explanation given to us the Central Government has not prescribed maintenance of cost records for the company as required under Section 209 (1) (d) of the Companies Act, 1956 for any of the activities of the company.

9. (a) According to the information and explanations given to us and records of the company examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues in respect of income tax, sales tax, customs duty, excise duty, cess with the appropriate authorities.

   (b) According to the information and explanations given to us and records of the company examined by us, the following undisputed statutory liabilities are outstanding for more than six months as on the Balance Sheet date.

Name of the Statue	Nature of dues	Amount in Rs. 31.03.2013	Period to which the amount relates
Service Tax	Service tax	440332	Outstanding since July 2012
Employee Provident Fund Act, 1952	Provident Fund	3768622	Employer cont outstanding since April -10 and Employee Cont from Jan -13
Employee's State Insurance Act, 1948	ESI	1195610	Due fro
Sales Tax	VAT / CST	1227419	2010 -11, 2011-12 2012 -13
Central Excise Act, 1944	Excise duty	3240307	Due for September 2012

10. The company has accumulated losses as at 31st March, 2013 and it has incurred a cash loss of Rs 89.38 Lakhs in the financial year 2012-13.
11. The Company did not have any outstanding dues to any financial institutions, banks or debenture holders during the year.
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. In our opinion and according to the information and explanations given to us, the company is not a chit fund/nidhi /mutual benefit fund/ society. Therefore the provisions of this clause of Companies (Auditor's Report) Order, 2003 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 and financial institutions.
16. In our opinion and according to the information and explanations given to us the term loans have been applied for the purposes for which they were raised.
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 has 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
I.C.A.I Regn. No.310009E

T. Lakshmi Narayana
Partner
Membership No:14674

Date: 30.05.2013
Place: Hyderabad

Balance Sheet as at 31st March 2013

	Particulars	Note No.	31st March, 2013 Rs.	31st March, 2012 Rs.
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	2	**4,71,31,360**	4,71,31,360
	(b) Reserves and surplus	3	**(4,782,983)**	1,50,80,465
2	**Non-current liabilities**			
	(a) Long-term borrowings	4	**24,57,92,870**	9,64,39,934
	(b) Deferred tax liabilities (net)		**1,04,54,535**	1,04,54,535
	(c) Long term Provisions	5	**89,32,716**	84,28,770
3	**Current liabilities**			
	(a) Short-term borrowings	6	**-**	10,85,70,389
	(b) Trade payables	7	**3,39,22,652**	4,82,29,375
	(c) Other current liabilities	8	**4,14,24,712**	87,13,526
	(d) Short-term provisions	9	**15,31,137**	2,90,844
	TOTAL		**384,406,999**	**343,339,198**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets	10		
	(i) Tangible assets		**7,56,22,980**	8,59,25,824
	(ii) Capital work-in-progress		**2,29,11,983**	2,29,11,983
	(b) Non-current Investment	11	**98,45,000**	98,45,000
2	**Current assets**			
	(a) Inventories	12	**13,58,00,075**	11,75,09,563
	(b) Trade receivables	13	**8,43,51,950**	6,61,50,486
	(c) Cash and cash equivalents	14	**2,96,28,275**	1,71,91,718
	(d) Short-term loans and advances	15	**2,62,46,736**	2,38,04,624
	TOTAL		**384,406,999**	**343,339,198**

See accompanying notes forming part of the financial statement

AS PER OUR REPORT OF EVEN DATE
for SRB & ASSOCIATES
Chartered Accountants
I.C.A.I Regn. No.310009E

for and on Behalf of the Board
for Raasi Refractories Limited

T.Lakshmi Narayana,
Partner
Membership No: 14674
Hyderabad
Dated: 30th May 2013

Ashok Kumar Agarwal
Executive Chairman

R.C. Biswas
Director

Statement of Profit and Loss for the year ended 31st March, 2013

(Amount in Rs.)

	Particulars	Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
1	Revenue from operations (gross)		40,15,93,563	23,66,25,777
	Less: Excise duty		4,31,52,859	2,06,40,069
	Revenue from operations (net)	16	35,84,40,704	21,59,85,708
2	**Other income**	17	2,782	38,06,403
3	**Total revenue (1+2)**		35,84,43,486	21,97,92,111
4	**Expenses**			
	(a) Cost of materials consumed	18	26,42,42,116	11,45,62,867
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	(7,059,242)	(62,825)
	(c) Employee benefits expense	20	2,42,12,481	2,41,04,185
	(d) Finance costs	21	2,86,03,332	3,03,82,286
	(e) Depreciation and amortisation expenses		1,03,93,846	1,03,36,263
	(f) Other expenses	22	5,79,14,400	3,91,37,304
	Total		37,83,06,934	21,84,60,080
5	**Profit / (Loss) before exceptional and extraordinary items and tax**		(19,863,448)	13,320,31
6	Exceptional items		-	-
7	**Profit / (Loss) before extraordinary items and tax**		(19,863,448)	13,320,31
8	Extraordinary items		-	-
9	**Profit / (Loss) before tax**		(19,863,448)	13,320,31
10	**Tax expense:**			
	(a) Current tax expense for current year		-	253,819
	(b) (Less): MAT credit (where applicable)		-	-
	(c) Current tax expense relating to prior years			845,803
	(d) Net current tax expense (a-b+c)		-	1,099,622
	(e) Deferred tax		-	-
11	**Profit / (Loss) for the year**		**(19,863,448)**	232,409
12	**Earnings per share (of Rs. 10/- each):**			
	(a) Basic		(4.21)	0.05
	(b) Diluted		(4.21)	0.05

See accompanying notes forming part of the financial statements

AS PER OUR REPORT OF EVEN DATE

for SRB & ASSOCIATES
Chartered Accountants
I.C.A.I Regn. No.310009E

for and on Behalf of the Board
for Raasi Refractories Limited

T. Lakshmi Narayana,
Partner
Membership No: 14674
Hyderabad
Dated: 30th May 2013

Ashok Kumar Agarwal
Executive Chairman

R.C. Biswas
Director

Notes forming part of the financial statement for the year ended 31st March 2013

Note Particulars

1 Significant Accounting Policies

1.1 Basis of Accounting and preparation of financial statement

I) The financial statements are prepared in accordance with Generally accepted accounting Principles(GAAP) under the Historical cost convention on the accrual basis and on a going concern basis. GAAP comprises mandatory accounting standards as prescribed by the Companies(Accounting Standards) Rules, 2006, the provision of Companies Act, 1956 and Guidelines issued by the Securities and Exchange Board of India(SEBI).

1.2 Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that effect the amount reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.

1.3 Inventories

Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realisable value. Cost includes all charges in bringing the goods to the point of sale, Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

1.4 Fixed Assets

All fixed assets are stated at cost less accumulated depreciation. Cost is inclusive of freight, duties, levies and any Cost directly attributable to bringing the assets to their present location and working conditions for intended use.

1.5 Depreciation/Amortization

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 .

1.6 Investments

Investments are either classified as current or long term based on the Managements intention. Current investments are carried at the lower of cost and fair value. Long term investments are carried at cost and provision recorded to recognize any decline, other than temporary, in the carrying value of each investment.

1.7 Revenue Recognition

Revenues/Incomes and cost/expenditure are generally accounted on accrual basis as they are earned or incurred except in case of significant uncertainties. Income from sale of goods is recognised at the point of dispatch from the Factory godown. Sale value includes Excise duty and Frieght wherever applicable.

1.8 *Taxes on income*

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liablities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income.

1.9 *Provision, Contingent Liabilities and Contingent Assets*

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognizes but are disclosed in the notes. contingent Assets are neither recognized nor disclosed in the financial statement.

1.10 *Impairment of Fixed Assets*

At the end of each period, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with Accounting Standard (AS-28) "Impairment of Assets" issued by the institute of Chartered Accounts of India. An impairment loss is charged to the Profit & loss Account in the period in which, an asset is identified as impaired, when the carrying value of the assets exceeds its recoverable value. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

1.11 Foreign Currency Transaction

Year-end balance of foreign currency transaction is translated at the year-end rates and the corresponding effect is given in the respective accounts. Transaction completed during the year are adjusted on actual basis. In respect of transaction covered by forward exchange contracts, the difference between the forward rate and exchange rate at the inception of contract is recognised as income or expenses over the life of the contract.

1.12 Employee Benefits

Short term employee benefit obligations are estimated and provided for.

Post employment benefits and other long term employee benefits:

Defined Contribution plans :

Company's contribution to provident fund and other funds are determined under the relevant schemes and/or statute and charged to revenue.

Defined benefit plans :

Company's liability towards gratuity is determined at each balance sheet date and provided for.

1.13 Borrowing Cost

Borrowing costs relating to acquisition or construction of fixed assets which takes substantial period of time to get ready for its intended use are included in the cost of fixed assets to the extent they relate to the period till such assets are ready to be put to use. Other Borrowing costs are recognized as an expense in the year in which they are incurred.

Notes forming part of the financial statement for the year ended 31st March 2013

Note No	Particulars	As At 31st March 2013 (Rs.)	As At 31st March 2012 (Rs.)
2	**Share Capital**		
	Authorised		
	2,50,00,000 (PY 2,50,00,000) Equity Shares of Rs. 10/- each with voting rights	25,00,00,000	25,00,00,000
	Issued, Subscribed and Fully Paid Up		
	47,13,136(PY 47,13,136) Equity Shares of Rs. 10/- each with voting rights	4,71,31,360	4,71,31,360
		4,71,31,360	4,71,31,360

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of Equity Share of Rs. 10/- each with voting rights

	No of Shares	Amount
Opening Balance	47,13,136	4,71,31,360
Fresh Issue	0	0
Closing Balance	47,13,136	4,71,31,360

Details of Shares held by each shareholders holding more than 5% shares

	31st March 2013		31st March 2012	
Mr. Ashok Kumar Agarwal	12,88,900	27.35	12,88,900	27.35
Mr. Sanjay Agarwal	10,98,320	23.30	10,98,320	23.30
Vedvyas Marketing Services Pvt Limited	3,39,580	7.20	3,39,580	7.20
Barbil Transport Co. Pvt Limited	3,32,985	7.07	3,28,135	6.96
P & U Merchantiles Pvt Limited	3,19,358	6.78	3,12,957	6.64

3	**Reserves and Surplus**		
	(a) Capital Reserve		
	Central subsidy Account		
	Opening Balance	**15,00,000**	15,00,000
	Add: Amout received(utilised) during the year	**-**	-
	Closing Balance	**15,00,000**	15,00,000
	(b) Forfeiture of shares		
	Opening Balance	**30,443**	30,443
	Add: Shares forefeited (utilised) during the year	**-**	-
	Closing Balance	**30,443**	30,443
	c) Securities Premium Account		
	Opening Balance	**1,69,00,000**	1,69,00,000
	Add: Premium on Shares Issues during the year	**-**	-
	Closing Balance	**1,69,00,000**	1,69,00,000
	(d) Suplus / (Deficit) in Statement of Profit and Loss		
	Opening Balance	**(3,349,978)**	(3,582,387)
	Add: Profit / (Loss) for the year	**(19,863,448)**	2,32,409
	Closing Balance	**(23,213,426)**	(3,349,978)
	Closing Balance	**(4,782,983)**	1,50,80,465
4	**Long term borrowings**		
	Other Loans & Advances		
	Term Loan from SREI Equip. Finance Pvt. Ltd.	**14,89,79,958**	-
	Loan from Director	**37,00,000**	37,00,000
	Long term Creditors	**4,12,97,940**	4,12,97,940
	From body corporates (Unsecured)	**5,18,14,972**	5,14,41,994
		24,57,92,870	9,64,39,934

(Term Loan from M/s. SREI Equipment Finance Ltd.
is secured by mortgage on the Fixed Assets of the company)

5	**Long term Provisions**		
	Provision for Employees Benefits		
	Provision for Gratuity (net)	**89,32,716**	84,28,770
6	**Short Term Borrowings**	**89,32,716**	84,28,770
	Cash Credit Accounts with Banks		
	Cash Credit from SBBJ	**-**	1,29,06,227
	Cash Credit from SBI, Commercial Branch	**-**	5,06,07,296
	Cash Credit from SBH IFB	**-**	3,01,57,463
	Cash Credit from Andhra Bank	**-**	1,48,99,403
		-	10,85,70,389

7	**Trade Payables**		
	Acceptance	**2,87,33,016**	4,37,25,567
	Other Than Acceptances	**51,89,636**	45,03,808
		3,39,22,652	4,82,29,375
8	**Other Current Liabilities**		
	Current maturity of long term debt		
	Term Loan from banks	**-**	
	Loan from financial institution	**2,89,38,646**	-
	Other Payables		-
	Statutory Remmittance	**1,24,86,066**	87,13,526
		4,14,24,712	87,13,526
9	**Short Term Provisions**		
	Provision - Others		
	Provision for Income tax	**15,31,137**	2,90,844
		15,31,137	2,90,844

Notes forming part of the financial statement for the year ended 31st March 2013

Note No: 10

Fixed Assets - Tangible

		GROSS BLOCK				ACCUMULATED DEPRECAITION AND IMPAIRMENT				NET BLOCK	
SL NO	DESCRIPTION	Balance as at 1st April 2012	Additions	Disposals	Balance as at 31st March 2013	Balance as at 1st April 2012	Depreciaiton Expenses for the year	Eliminated on disposal of assets during the	Balance as at 31st March 2013	Balance as at 31st March 2013	Balance as at 1st April 2013
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	LAND & SITE DEVELOPMENT	18,83,953	-	-	18,83,953	0	0	-	-	18,83,953	18,83,953
2	BUILDINGS	3,88,72,650	-	-	3,88,72,650	82,04,440	9,46,810	-	9,151,250	2,97,21,400	3,06,68,210
3	PLANT & MACHINERY	16,83,16,483	-	-	16,83,16,483	11,78,14,054	88,55,969	-	126,670,023	4,16,46,460	5,05,02,429
4	FURNITURE & FIXTURES	22,48,887	-	-	22,48,887	16,79,473	1,42,355	-	1,821,828	4,27,060	5,69,414
5	OFFICE EQUIPMENT	19,83,670	91,000	-	20,74,670	13,22,198	1,30,276	-	1,452,474	6,22,196	6,61,472
6	VEHICLES	33,51,957	-	-	33,51,957	17,11,610	3,18,436	-	2,030,046	13,21,911	16,40,347
	TOTAL	21,66,57,600	91,000	0	21,67,48,600	13,07,31,775	1,03,93,846	0	14,11,25,621	7,56,22,980	8,59,25,824
	PREVIOUS YEAR	21,59,17,634	857,670	117,704	21,66,57,600	12,03,95,513	1,03,36,263	0	13,07,31,776	8,59,25,824	9,55,22,121

Notes forming part of the financial statement for the year ended 31st March 2013

Note No	Particulars	As At 31st March 2013 (Rs.)	As At 31st March 2012 (Rs.)
11	***Non current Investment***		
	Unquoted,at cost		
	32,900 shares of Rs 10/- of Iceberg Aqua Pvt Ltd	**16,45,000**	16,45,000
	4,10,000 shares of Rs 10/- Iceberg Foods Ltd	**82,00,000**	82,00,000
		98,45,000	98,45,000
12	***Inventories***		
	(At lower of cost and net realisable value)		
	Raw Materials	**6,49,26,396**	5,91,06,928
	Work-in-Progress	**2,34,42,969**	1,65,97,686
	Finished Goods	**3,28,40,135**	3,26,26,176
	Stores & Spares	**84,66,025**	60,29,809
	Others		
	Coal	**60,78,235**	30,98,868
	Furnace Oil	**46,315**	50,096
		13,58,00,075	11,75,09,563
13	**Trade Receivable**		
	Unsecured, Considered Good		
	Trade Receivables outstanding for a period exceeding six months from the date they were due for payment	**83,17,942**	95,17,945
	Other Trade Receivable	**7,60,34,008**	5,66,32,541
		8,43,51,950	6,61,50,486
14	**Cash and cash equivalents**		
	Cash in hand	**21,77,760**	18,88,031
	Balances with Banks		
	in Current account	**5,30,115**	3,79,098
	in earmarked accounts		
	(Balances held as margin money or securities against borrowings, guarantees and other commitments having maturity of less then 12 months)	**2,69,20,400**	1,49,24,589
		2,96,28,275	1,71,91,718
15	**Short term Loans and advances**		
	(Unsecured, considered good)		
	Trade advances	**75,26,918**	75,26,918
	Claims receivable	**4,31,824**	13,35,232
	Security Deposits	**66,10,181**	44,32,681
	Loans and Advances to Employees	**25,40,166**	16,29,487
	Prepaid expenses	**33,375**	41,625
	Balance with Government Authorities		
	Deposits with Central Excise	**85,06,657**	82,41,066
	VAT Credit Receivable	**5,97,615**	5,97,615
		2,62,46,736	2,38,04,624

16	**Reveune From Operations**		
	Sale of Products		
	Export Sales	**12,12,537**	89,91,538
	Domestic Sales	**39,82,63,543**	22,30,87,855
	Self consumption	**21,17,483**	44,15,864
	Sale of Scraps	**-**	1,30,520
		40,15,93,563	23,66,25,777
	Less: Excise Duty	**4,31,52,859**	2,06,40,069
		35,84,40,704	21,59,85,708
	Refractories and Allied Products	**40,15,93,563**	23,64,95,257
17	**Other Income**		
	Interest Income		
	Interest from bank on deposits, TDS(Rs.144065/-)	**3,10,052**	12,53,543
	Interest on Secutiry deposits	**1,39,732**	93,460
	Income on sale of Fixed Assets	**-**	26,43,654
	Gain (Deficit) on Forex Fluctuation	**(828,635)**	(232,313)
	Miscellaneous Income	**3,81,633**	48,059
		2,782	38,06,403
18	**Cost of Materials Consumed** (including stores & spares)		
	Opening Stock	**6,51,36,737**	5,96,54,370
	Add: Purchases	**27,24,97,800**	12,00,45,234
	Less: Closing Stock	**7,33,92,421**	6,51,36,737
	Cost of Materials Consumed	**26,42,42,116**	11,45,62,867
	Material Consumed Comprises:		
	Calcium Bauxite	**3,02,05,639**	2,12,14,059
	Grog	**1,31,13,835**	28,66,079
	Stores Materials	**1,30,44,842**	69,43,185
	Other Raw Materials	**20,78,77,800**	8,35,39,544
		26,42,42,116	11,45,62,867
19	**Changes in inventories of finished goods, work - in progress and stock in trade**		
	Finished Goods		
	Opening Stock	**3,26,26,176**	3,23,33,628
	Closing Stock	**3,28,40,135**	3,26,26,176
		(213,959)	(292,548)
	Work-in-progress		
	Opening Stock	**1,65,97,686**	1,68,27,409
	Closing Stock	**2,34,42,969**	1,65,97,686
		(6,845,283)	2,29,723
	Net (increase) / decrease	**(7,059,242)**	(62,825)

20 Employpees Benefit Expense

Salaries & Wages	**1,89,57,274**	1,77,97,449
Contribution to Provident Fund	**14,35,090**	15,57,760
Contribution to ESIC	**6,90,654**	7,10,278
Gratuity	**7,40,814**	13,87,954
Other Benefits	**23,88,649**	26,50,744
	2,42,12,481	2,41,04,185

21 Finance Cost

Interest Expenses on		
Term Loans from Banks	**-**	4,63,631
Term Loans from Institution	**-**	8,15,318
OCC & Others	**2,86,03,332**	2,91,03,337
	2,86,03,332	3,03,82,286

22 Other Expenses

Administrative Expenses	**16,30,270**	12,50,062
Legal & Professional Charges	**8,00,053**	9,59,700
Other Manufacturing Expenses	**1,12,28,036**	59,86,779
Payment to Auditors- Statutory Audit Fee	**1,50,000**	1,50,000
Power & Fuel	**2,77,79,803**	1,73,93,112
Repairs & Maintenance		
Plant & Machinery	**31,19,226**	50,80,421
Vehicles	**4,74,233**	3,72,662
Other Assets	**6,84,378**	3,62,525
Insurance	**2,05,198**	2,92,464
Rent,Rates & Taxes	**9,96,257**	9,75,288
Travelling & Conveyance	**12,15,397**	8,86,174
Printing & Stationery	**1,26,941**	1,12,192
Postage, Telegrams & Telephones	**6,44,222**	4,97,404
Selling & Marketing Expenses	**88,57,386**	47,98,521
Donations	**3,000**	20,000
	5,79,14,400	3,91,37,304

Notes forming part of the financial statement for the year ended 31st March 2013

Note No	Particulars	As at 31st March 2013(Rs)	As At 31st March 2012 (Rs.)
23	**Additional Information to the financial statement**		
23.1	***Contingent Liabilities and commitments (to the extent not provide for)***		
	Contingent Liabilities		
	Outstanding Bank guarantee	3,42,77,785	4,33,75,745
		3,42,77,785	4,33,75,745
23.2	**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**		
	Principal amount remainig unpaid as at the end of the accounting year	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

23.3	**Value of imports calculated on CIF basis**		
	Raw materials	-	69,43,794
	Capital goods (Machinery)	-	-
		-	69,43,794
23.4	**Expenditure in Foreign Currency**		
	Bank Charges	-	5,103
	Commission on sales	-	-
		-	5,103

		As At 31st March 2013 (Rs.)	As At 31st March 2012 (Rs.)
23.5	**Details of Consumption of imported and indigenous items**		
	Raw Materials including stores materials		
	imported - Rs.	-	78,22,550
	indigenous - Rs.	26,42,42,116	10,67,40,316
	imported - %	-	6.83
	indigenous - %	100.00	93.17
	Total - Rs.	26,42,42,116	11,45,62,866

24 Discolsure under Accounting Standards

24.1 Related Party Transaction

Disclosures as required by Accounting Standard-18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of india

Relationship

Companies under the same management

1. Sarvesh Refractories Limited
2. Sree Metaliks Limited
3. Rourkela Minerals Co. Pvt. Limited
4. Icebergs Aqua Pvt. Limited

Key Management Personnel

1. Mr. Ashok Kumar Agarwal, Executive Chairman
2. Mr. R.C. Biswas,Director

The following transactions were carried out with related parties in the ordinary course of business : (Companies under the same management)

Nature of transaction	Referred to in A (a)	
	31.03.2013	31.03.2012
Sale of goods	49,525,097	8,425,440
Purchase of goods	200,806,427	7,14,26,218
Rent received		-
Interest Paid	414,420	410,723
Loan received		37,00,000
Loan given back	-	-
Loan granted	-	-
Loan received back	-	-
Balance outstanding:-		
-Loans recoverable	-	-
-Advances recoverable	-	-
-Sundry debtors	118,997,905	173,496,507
-Sundry Creditors	248,381,337	385,072,778
-Other Liabilities(unsecured loans taken)	55,514,972	51,441,994

Note : Related party relationship is as identified by the company and relied upon by the auditors

Nature of transaction	Referred to in A (b) above	
	31.03.2013	31.03.2012
Purchase of goods	-	-
Remuneration	470,400	470,400
Rent received	-	-
Commission Paid	-	-
Loan received	-	-
Loan given back	-	-
Loan granted	-	-
Loan received back	-	-
Balance outstanding:-	-	-
-Loans recoverable	-	-
-Advances recoverable	-	-
-Sundry debtors	-	-
-Sundry Creditors	-	-
-Other Liabilities	-	-

Note : Related party relationship is as identified by the company and relied upon by the auditors

25 Previous Year's figures

Previous years figures have been regrouped, rearranged or recasted whereever necessary to conform to this years classification.

CASH FLOW STATEMENT FOR THE YEAR 2012-13

(Rs.In Lakhs)

		2012-13	2011-12
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net Profit before tax	**(198.63)**	13.32
	ADJUSTMENT FOR:		
	Depreciation	**103.94**	103.36
	Interest Expenses	**286.03**	303.82
	Provisions	**5.04**	4.05
	Interest income	**(4.50)**	(13.47)
	Operating Profit before Working Capital Changes	**191.88**	411.09
	Adjustment for Movement in working capital		
	(Increase)/Decrease in Inventories	**(182.91)**	(43.09)
	(Increase)/Decrease in Trade Receivables	**(182.01)**	(242.84)
	(Increase)/Decrease in Short term Loans and Advances	**(24.42)**	(20.94)
	Increase/(Decrease) in Trade Payables	**(143.07)**	(9.69)
	Increase/(Decrease) in Other Current Liabilites	**327.11**	(74.39)
	Increase/(Decrease) in Short term provisions	**12.40**	9.43
	Cash Generated from Operations	**(1.02)**	29.56
	Income Tax Paid	**-**	11.00
	Net Cash flow from Operating Activities	**(1.02)**	18.56
B	**CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES**		
	Purchase of Fixed Assets	**(0.91)**	(42.58)
	Sale of Fixed assests	**-**	1.18
	Interest Received	**4.50**	13.47
	Net Cash used in Investing Activities	**3.59**	(27.93)

C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Issue of Share Capital	**-**	-
	Increase/(Decrease) in Cash Credits	**(1,085.70)**	(188.32)
	Increase/(Decrease) of Long term Borrowings	**1,493.53**	453.68
	Interest Paid	**(286.03)**	(303.82)
	Net Cash from Financing Activities	**121.79**	(38.46)
	Net Increase/Decrease in Cash and Cash equivalents	**124.36**	**(47.83)**
	Cash and Cash Equivalents as on 1st April (Opening Balance)	**171.92**	219.75
	Cash and Cash Equivalents as on 31st March (Closing Balance)	**296.28**	**171.92**

As per our report of even date

for and on Behalf of the Board
for Raasi Refractories Limited

For SRB & ASSOCIATES
Chartered Accountants
I.C.A.I Regn. No.310009E

T.Lakshminarayana
Partner
Membership No-14674
Place : Hyderabad
Date : 30-05-2013

Ashok Kumar Agarwal
Executive Chairman

R.C. Biswas
Director

CERTIFICATE

We have examined the attached Cash Flow Statement of Raasi Refractories Limited for the period ended 31st March, 2013. 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 30-05-2013 to the members of the Company.

For Raasi Refractories Limited

Ashok Kumar Agarwal
Executive Chairman

Place: Hyderabad
Date: 30-05-2013

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS AT 31ST MARCH, 2013

I.REGISTRATION DETAILS :

State Code: 01

Registration No.		3339	
Balance Sheet Date	31st	MARCH	2013
	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. 384406	Total Assets	Rs.334806
Source of Funds :			
Paid-up Capital	Rs. 47131	Long term liabilities	Rs.254725
Reserve & Surplus	Rs. (4783)	Current liabilities	Rs. 76878
Application of Funds:			
Net Fixed Assets	Rs. 98535	Current Assets	Rs. 276027
Investments	Rs. 9845	Deferred Tax +(-)	Rs. (10455)

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

Turnover	Rs. 358443	Profit/ (Loss) Before Tax	Rs.(19863)
Total Expenditure	Rs.378307	Profit/ (Loss) After Tax	Rs.(19863)
Earnings per Share	Rs. (4.21)		

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

THIRTY FIRST ANNUAL GENERAL MEETING OF THE COMPANY

Dp.Id* ……………………. Folio No……………………….

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

I hereby record my presence at the 31ST ANNUAL GENERAL MEETING of the Company being held on Monday, the 30th September, 2013 at 3.30 P.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 31ST ANNUAL GENERAL MEETING of the Company held on Monday, the 30th September, 2013 at 3.30 P.M. at Bhaskara Auditorium, B M Birla Science Centre, Adarshnagar, Hyderabad - 500 063 and at any adjournment thereof.

Signed this ____________ day of ____________ 2013

Affix 1 Rupee Revenue Stamp

Name : ____________________

Address ____________________

____

Note : 1. The Proxy form should be deposit at the Registered Office of the Company not later than 48 hours before commencement of the Meeting.

2. Please bring your copy of this Annual Report to the Meeting

3. Proxy need not be a member of the Company.

* Applicable for investors holding shares in Electronic form.

BOOK POST
PRINTED MATTER

If undelivered please return to:

RAASI REFRACTORIES LIMITED
6-3-349/20, Alpha Business Centre,
IInd Floor, Road No.1, Banjara Hills,
Hyderabad - 500 034.
Website: www.raasi.in