

**37<sup>th</sup>**  
**ANNUAL REPORT**  
**2018-19**



**Raasi Refractories Limited**  
**(CIN:L26920TG1981PLC003339)**

**BOARD OF DIRECTORS**

Sri. Konda Venkanna,	: Director
Smt. Konda Soujanya,	: Woman Director
Sri. Konda Ramakrishna,	: Director
Sri Satyanarayana Kapuganti,	: Independent Director
Sri Suresh Silumula,	: Independent Director
Sri. Rajendra Prasad Kandikattu,	: Nominee Director

**STATUTORY COMMITTEES**

**AUDIT COMMITTEE**

Sri Satyanarayana Kapuganti	: Chairman
Sri. Suresh Silumula	: Member
Sri. Konda Venkanna	: Member

**NOMINATION & REMUNERATION COMMITTEE**

Sri Satyanarayana Kapuganti	: Chairman
Sri. Suresh Silumula	: Member
Sri. Konda Venkanna	: Member

**STAKE HOLDERS RELATIONSHIP COMMITTEE**

Sri Satyanarayana Kapuganti	: Chairman
Sri. Suresh Silumula	: Member
Sri. Konda Venkanna	: Member

**STATUTORY AUDITORS**

M/s.GMK Associates,  
Chartered Accountants  
ICAI Regn.No. 006945S  
Hyderabad.

**REGISTRAR & TRANSFER AGENT**

M/s. Aarathi Consultants Pvt.Ltd  
Regd.Office:1-2-285,  
Domalguda, Hyderabad - 500 029.  
Phone No's : 040-27638111, 27634445, 27642217, 66611921  
Fax: 040-27632184  
Email: [info@aarthiconsultants.com](mailto:info@aarthiconsultants.com),  
Website: [www.aarthiconsultants.com](http://www.aarthiconsultants.com)

**REGISTERED OFFICE**

RAASI REFRACTORIES LIMITED  
15-145/9, Kodandaram Nagar,  
Sarooranagar, Near Sarada Talkies  
Hyderabad - 500060

**FACTORY**

Lakshmpuram, Narketpally,  
Nalgonda District,  
Telangana State - 508254.

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**NOTICE**

Notice is hereby given that the 37<sup>th</sup> Annual General Meeting of the members of the RAASI REFRACTORIES LIMITED (CIN:L26920TG1981PLC003339) will be held on Monday, 30<sup>th</sup> September, 2019 at 10:00 a.m. at Kummara Samkshema Sangam, H NO. 10-1-105, Trimurthy Colony, Lingoji Guda, Saroor Nagar, Hyderabad 500 035. to transact the following business:

**Ordinary Business**

1. To receive, consider and adopt the audited financial statements of the company for the financial year ended 31<sup>st</sup> March 2019 together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Sri Suresh Silumula (DIN: 07957786), who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit to pass with or without modifications(s), the following resolutions as an ordinary resolution.

“RESOLVED that pursuant to the provisions of section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, M/s. VMM & Co., Chartered Accountants, Hyderabad (Firm Registration No. 014297S) be and are hereby appointed as Statutory Auditors of the Company for a period of five (5) years i.e. from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting of the Company to be held in the year 2024 on such remuneration plus applicable taxes, if any, out of pocket expenses as may be mutually agreed between the Board and the auditors.”

By order of the Board

**SATYANARAYANA KAPUGANTI**

Place : Hyderabad

Director

Date : 14<sup>th</sup> August, 2019

(DIN: 07959357)

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ON HIS BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM IS ENCLOSED. PROXY FORM IN ORDER TO BE EFFECTIVE, DULY COMPLETED, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of persons seeking appointment/ re-appointment as Directors at the Annual General Meeting is annexed hereto.
3. Members / proxies are requested to bring with them the Attendance slip sent with the Annual Report duly completed and signed and hand it over at the entrance.
4. Pursuant to Sec.91 of the Companies Act, 2013 and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed for 7 days i.e. from 23.09.2019 to 29.09.2019 (both days inclusive).
5. Non-resident Indian Shareholders are requested to inform us immediately the change in Residential status on return to India for permanent settlement the particulars of Bank NRE Account, if not furnished earlier.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Aarthi Consultants Pvt Ltd.

7. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
8. Members desiring any information on the financial statements at the Annual General Meeting are requested to write to the Company at least seven days in advance so as to enable the Company to keep the information ready.
9. Members are requested to quote Folio Number/ Client ID No in all correspondence. Members are requested to update their Email ID with their respective depository participant and with the company's Registrar and Transfer Agents.
10. As the Company's Equity shares are compulsorily traded in demat mode, shareholders holding shares in physical form are requested to dematerialize the same.
11. In accordance with the MCA's "Green Initiative in Corporate Governance" allowing companies to share documents with its shareholders in the electronic mode and related amendments to the Listing Agreement with the Stock Exchanges, the company is sharing all documents with shareholders in the electronic mode, wherever the same has been agreed to by the shareholders. Shareholders are requested to support this green initiative by registering/updating their e-mail addresses for receiving electronic communications.

## 12. E-VOTING

Pursuant to Section 108 of the Companies Act, 2013 read with relevant Rules of the Act and Regulations 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility the members to exercise their right to vote by electronic means.

The e-voting period will commence at 10:00 a.m. on 27<sup>th</sup> September, 2019 and will end at 5:00 p.m. on 29<sup>th</sup> September, 2019. The Company has appointed Mr. Naga Kishore i (FCS No-7684, CP No- 13597), Practicing Company Secretary to act as the Scrutinizer to scrutinize the voting and remote e-voting process (including the ballot form received from the members who do not have access to the e-voting process) in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

The e-voting facility is available at the link:

EVSN (e-voting Sequence Number)	Commencement of e-voting	End of e-voting
190926007	27-09-2019	29-09-2019

Members have an option to vote either through e-voting or through physical ballot form. If a member has opted for e-voting, then he/she should not vote by physical ballot also and vice versa. However, in case members cast their vote both via physical ballot and e-voting then e voting shall prevail and voting done through physical ballot shall be treated as invalid. The Company has signed an agreement with CDSL for facilitating e-voting.

The Scrutinizer shall, immediately after the conclusion of voting at the Annual General meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than three (3) days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman and/or Managing Director or a person authorized by him in writing who shall counter sign the same.

The Results declared along with the Scrutinizer’s Report shall be placed on the website of CDSL and communicated to Stock Exchange where the shares are listed.

**1. The instructions for members for voting electronically are as under:**

The voting period begins on Friday, the 27<sup>th</sup> September, 2019 at 10:00 AM and ends on Sunday the 29<sup>th</sup> September, 2019 at 5:00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20<sup>th</sup> September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Shareholders who have already voted through e-voting prior to the meeting date would not be entitled to vote at the meeting venue.

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)-</p> <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>● In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) asrecorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or company pleaseenter the member id / folio number in the Dividend Bank details field asmentioned in instruction (v).</li> </ul>

- (i) After entering these details appropriately, click on “SUBMIT” tab.
- (ii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (iv) Click on the EVSN for the relevant Raasi Refractories Limited on which you choose to vote.
- (v) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (vii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (viii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (x) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xi) Shareholders can also cast their vote using CDSL’s mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from google play store. iphone and windows phone users can download the app from app store and the windows phone store respectively on or after 30<sup>th</sup> June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xii) **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**BRIEF PROFILES OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT**

<b>Name of the Director</b>	<b>Suresh Silumula</b>
Date of Birth	10.07.1983
Date of appointment / re-appointment	07.10.2017
Qualification	B TECH
Expertise in specific functional area List of public ltd. companies in which outside directorships held	-
Membership/Chairman-ships of committees of other public companies (includes only audit committee and stakeholders relationship committee)	-

By order of the Board

**SATYANARAYANA KAPUGANTI**

Director

(DIN: 07959357)

Place : Hyderabad

Date : 14<sup>th</sup> August, 2019



**DIRECTORS' REPORT**

To  
Dear Members,

Your directors have pleasure in presenting the 37<sup>th</sup> Directors' Report on the business and operations of your company for the financial year ended 31<sup>st</sup> March 2019.

**FINANCIAL HIGHLIGHTS :**

Particulars	Amount in lacs Year ended	
	31.03.2019	31.03.2018
Sales and Other Income	4133.98	2178.90
EBIDTA	535.62	540.40
Finance Cost	351.02	350.37
Depreciation	28.75	121.27
Profit before Tax	404.63	68.77
Extraordinary Items	248.78	0
Provision for taxation: Current Tax	0	0
Deferred Tax	0	0
Profit after Tax	404.63	68.77
Add: Other Comprehensive Income	(5.24)	(5.04)
Total Comprehensive Income for the year	399.39	63.72

**PERFORMANCE :**

The Company focused on its Refractories business and its allied products. The operation of Refractories and Monolythics at Narketpally, Nalgonda District, Telangana State has been stabilized and the Company has been making efforts to improve the performance.

The income from operations is Rs.41,33,97,609/- as against Rs.21,78,89,717/- for the corresponding previous year. The profit before tax stood at Rs. 3,99,38,682/- as against Rs. 63,72,146/- for the previous year. The profit after tax stood at Rs. 3,99,38,682/- as against Rs. 63,72,146/- for the corresponding period. The Basic Earnings Per Share for the year ended 31.03.2019 is Rs.0.85 as against Rs. 0.14 for the corresponding previous year ended 31.03.2018.

**DIVIDEND :**

Your Directors did not recommend dividend for the financial year 2018-19.

**PUBLIC DEPOSITS**

The Company has not accepted or invited any Deposits and consequently no deposit has matured / become due for re-payment as on 31<sup>st</sup> March 2019.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There are no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this report.

**PARTICULARS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**Appointments:**

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and the Articles of Association of the Company, Sri. Suresh Silumula, Director of the Company retire by rotation at this Annual General Meeting and being eligible offer themselves for reappointment.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, there has been no change in the circumstances which may affect their status as independent director during the year.

The brief particulars of the Directors seeking appointment / re-appointment at this Annual General Meeting are being annexed to the Corporate Governance Report as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forming part of this Annual Report.

**Cessation:**

During the year, none of the directors have ceased to be directors.

**Key Managerial Personnel**

There is no change in the key managerial personnel during the year.

**Board evaluation and assessment**

Evaluation of all Board members is done on an annual basis. The evaluation is done by the Board, Nomination and Remuneration committee and Independent Directors with specific focus on the performance and effective functioning of the Board and individual Directors.

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out performance evaluation taking into consideration of various aspects of the Board's functioning, composition of Board, and its Committees, execution, and performance of specific duties, obligations and governance. The Performance of evaluation of Independent Directors was completed. The Performance evaluation of Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with evaluation process.

#### **Policy on directors' appointment and remuneration and other details**

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy which lays down a framework in relation to selection, appointment and remuneration to directors, key managerial personnel and senior management of the Company. The Company's policy on directors and KMP appointment and remuneration and other matters provided in section 178(3) of the Act have been disclosed in the corporate governance report, which forms part of the directors' report.

#### **Number of Board Meetings during the year**

During the year, 4 meetings of the Board and 4 meetings of Audit Committee were convened and held, the details of which form part of the report on corporate governance.

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The particulars of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 have been disclosed as notes in the financial statements.

#### **RELATED PARTY TRANSACTIONS**

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval, where ever required. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and

repetitive nature. A statement giving details of the related party transactions entered into pursuant to the omnibus approval so granted are placed as necessary before the Audit Committee and the Board of Directors. The Company has developed a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT:**

There are no significant and material orders passed by the Regulators/ Courts that would impact the going concern status of the Company and its future operations.

#### **AUDITORS AND OBSERVATIONS**

##### **Statutory Auditors**

Pursuant to provisions of Section 139 of the Companies Act, 2013 and the rules framed thereunder, M/s. GMK Associates, chartered Accountants were appointed as statutory auditors of the Company from the conclusion of 33<sup>rd</sup> AGM held on 30<sup>th</sup> September, 2015 for a period of 5 years i.e. till the conclusion of AGM to be held in the year 2020 of the Company.

However, the present auditors have expressed their unwillingness to be continued as Statutory Auditors of the Company. The Board has approached M/s. VMM & Co, Chartered Accountants and they have expressed their willingness to be appointed as Statutory Auditors of the Company. They have provided an eligibility certificate confirming that they have complied with conditions as stipulated under section 141 of the Companies Act, 2013, if appointed. Accordingly, requisite resolution forms part of the notice convening the AGM.

##### **Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. M. Naga Kishore, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the Financial Year 2018-19. The Report of the Secretarial Auditor for Financial Year 2018-19 is annexed herewith as "Annexure-I".

**Internal Auditors**

Internal auditors of the Company have done audit and their report is reviewed by the Audit Committee from time to time.

**Qualification and Remarks**

The auditors' report contain qualifications with respect to payment of Statutory dues.

Secretarial Auditors' report contain qualifications, reservations or adverse remarks.

The Management is taking necessary steps to mitigate / reduce the same.

**DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12):**

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under section 143(12) of the Companies Act, 2013.

**CORPORATE SOCIAL RESPONSIBILITY**

The Company is not covered under the criteria mentioned in the provisions of Companies Act, 2013.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Pursuant to the provisions of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on Management Discussion & Analysis is presented in a separate section and forms part of the Annual Report.

**CORPORATE GOVERNANCE**

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance enunciated in provisions of SEBI (LODR) Regulations, 2015.

A report on Corporate Governance pursuant to the provisions of Corporate Governance Code stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report. Full details of the various board committees are also provided therein along with Auditors' Certificate regarding compliance of conditions of corporate governance and forms integral part of this Report.

**EXTRACT OF ANNUAL RETURN (MGT 9)**

The extract of the annual return in Form MGT 9 as required under the provisions of section 92 of the Act is enclosed as Annexure - II.

**DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENT:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company (with its inherent weakness) work performed by the internal, statutory and secretarial auditors including the audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the period ended on 31<sup>st</sup> March, 2019.

**RISK MANAGEMENT**

The Board of the Company has framed a policy to implement and monitor the risk management plan for the Company and ensuring its effectiveness. The Board oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour the company has adopted a vigil mechanism policy.

**HUMAN RESOURCES:**

Many initiatives have been taken to support business through organizational efficiency, process change support and various employee engagement programmes which has helped the Organization achieve higher productivity levels. A significant effort has also been undertaken to develop leadership as well as technical/functional capabilities in order to meet future talent requirement.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and operating effectively;

- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo required to be disclosed under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 are provided in the Annexure- III forming part of this Report.

**PARTICULARS RELATING TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various policies and practices. Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

Your Company has adopted a policy on Prevention of Sexual Harassment at Workplace which aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behaviour.

Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All associates of the company are covered under this policy. There were no complaints received under the policy during 2018-19.

**PARTICULARS OF EMPLOYEES**

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**PARTICULARS OF REMUNERATION**

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year

Executive Directors	Ratio to Median remuneration
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- b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year: There is no increase during the year.

- c. There is percentage increase in the median remuneration of employees in the financial year: NIL

- d. The number of permanent employees on the rolls of Company: 2

- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: There is no increase in the remuneration / salaries during the year.

- f. Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms remuneration paid to Key Managerial Personnel is as per the remuneration policy of the Company.

**APPRECIATION:**

Your Directors wish to place on record their appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain stable, despite increased competition from several existing and new players.

**ACKNOWLEDGEMENTS:**

The Board desires to place on record its sincere appreciation for the support and co-operation that the Company received from the suppliers, customers, strategic partners, Bankers, Auditors, Registrar and Transfer Agents and all others associated with the Company. The Company has always looked upon them as partners in its progress and has happily shared with them rewards of growth. It will be the Company's endeavor to build and nurture strong links with trade based on mutuality, respect and co-operation with each other.

By order of the Board

**SATYANARAYANA KAPUGANTI**

Director  
(DIN: 07959357)

Place : Hyderabad

Date : 14<sup>th</sup> August, 2019

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**Form No. MR-3**

To,  
The Members,  
Raasi Refractories Limited

Corporate Identity Number (CIN) : L26920TG1981PLC003339  
Authorised Capital : Rs.15.00 Crores  
Paid up capital : Rs.4,71,31,360/-

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. RAASI REFRACATORIES LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the M/s.Raasi Refractories Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. RAASI REFRACATORIES LIMITED ("the Company") a **listed Public Company** for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other laws applicable to the company as provided by the management as mentioned below:
- Employees State Insurance Act, 1948 and Employees' State Insurance (General) Regulations, 1950;
  - Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' Provident Funds Scheme, 1952;
  - Payment of Bonus Act, 1965 and the Payment of Bonus Rules, 1965;
  - Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
  - Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971;
  - Factories Act, 1948 and the rules made thereunder;
  - A.P. Shops and Establishment Act, 1988;
  - Water (Prevention and Control of Pollution) Act, 1974
  - Air (Prevention and Control of Pollution) Act, 1981
  - Environment Protection Act, 1986
  - Public Liability Insurance Act, 1991
  - Indian Boilers Act, 1923
  - Explosives Act, 1884

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Listing Agreement entered into by the company with Stock Exchange(s), if any / SEBI (LODR) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

- 1. The Company has not appointed Chief Executive Officer and Company Secretary.**
- 2. The Company does not have any website as required under the provisions of SEBI (LODR) Regulations, 2015.**
- 3. The Company has not appointed internal auditors for the financial year 2018-2019.**
- 4. The Company is defaulted in filing of various forms with Ministry of Corporate Affairs.**
- 5. The Company has not updated statutory registers during the audit period.**
- 6. The Company is due and payable in respect of Income Tax, Sales Tax, wealth tax, Service Tax, duty of customs and excise value added tax, EPF, ESI or cess which are arrears as at 31<sup>st</sup> March, 2019.**

**7. Other laws:**

*Management has submitted representation about the Compliances of various labour laws, however the required documents were not produced for audit purpose relating to Boilers Act, 1923; Air (Prevention & Control of Pollution) Act, 1981; Water (Prevention & Control of Pollution) Act, 1974; Water (Prevention and Control of Pollution) Cess Act, 1977; Andhra Pradesh Factories and Establishments (National, Festival and other Holidays) Act, 1974; The Public Liability Insurance Act, 1991; Equal Remuneration Act, 1976; Environment Protection Act, 1986; Minimum Wages Act, 1948; Payment of Wages Act, 1936; Payment of Bonus Act, 1965; The Employees' Provident Fund & Misc Provisions Act 1952 and EFP Scheme 1952; The Payment of Gratuity Act, 1972 and The A.P. Payment of Gratuity Rules 1972; Andhra Pradesh Contracts Labor (regulations and abolition) Act rules 1971; Apprentice Act 1961; Andhra Pradesh Labor welfare Fund Act, 1987; Maternity Benefits Act, 1961; Employees Compensation Act, 1923; Industrial Disputes Act, 1947; The Factories Act, 1948; A.P Shops and Establishment Act, 1988 and also for other industry specific acts as applicable to the company .*

*Hence I am unable to comment on the Compliance of the above said Acts.*

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period the company has not entered into / carried out any activity that has major bearing on the company's affairs.

**(M.NAGA KISHORE)**

Company Secretary in Practice

M.No.: F7684

CP No.: 13597

Place : Hyderabad

Date : 14<sup>th</sup> August, 2019

*This report is to be read with our letter of even date which is annexed as Annexure -A and forms an integral part of this report.*



**“ANNEXURE A”**

To,  
The Members,  
**RAASI REFRATORIES LIMITED**

Corporate Identity Number (CIN) : L26920TG1981PLC003339  
Authorised Capital : Rs.15.00 Crores  
Paid up capital : Rs.4,71,31,360/-

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**(M.NAGA KISHORE)**

Company Secretary in Practice

M.No.: F7684

CP No.: 13597

Place : Hyderabad  
Date : 14<sup>th</sup> August, 2019

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31-03-2019**

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION & OTHER DETAILS :**

CIN	L26920TG1981PLC003339
Registration Date	12/24/1981
Name of the Company	RAASI REFRATORIES LIMITED
Category / Sub-Category of the Company	Company Limited by shares/Indian Non Government Company
Address of the Registered Office and contact details	15-145/9, Kodandaram Nagar, Saroor nagar, Near Sarada Talkies, Hyderabad - 500060.
Whether listed company Yes / No	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	M/s. Aarthi Consultants Pvt.Ltd Regd.Office : 1-2-285, Domalguda, Hyderabad – 500 029

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Name & Description of main products/services	NIC Code of. products/services	% of total turnover of the company
Manufacture of Refractory Products	2391	100%

**III. PARTICULARS OF HOLDINGS, SUBSIDIARY AND ASSOCIATE COMPANIES:**

[No. of Companies for which information is being filled]

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Nil	NA	NA	NA	NA

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (1-4-2018)				No. of Shares held at the end of the year (31-3-2019)				% change in share holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>APROMOTERS</b>									
<b>(1) Indian</b>									
a) Individual / HUF	1293250		1293250	27.14	1293250		1293250	27.14	
b) Central Govt.									
c) State Govt.(s)									
d) Bodies Corporate									
e) Banks / FI									
f) Any Other									
<b>Sub-Total (A)(1):</b>	<b>1293250</b>	<b>0</b>	<b>1293250</b>	<b>27.14</b>	<b>1293250</b>	<b>0</b>	<b>1293250</b>	<b>27.14</b>	
<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corporate	1098320		1098320	23.30	1098320		1098320	23.30	
d) Banks / FI									
e) Any Other....									
<b>Sub-Total (A)(2):</b>	<b>1098320</b>		<b>1098320</b>	<b>23.30</b>	<b>1098320</b>		<b>1098320</b>	<b>23.30</b>	
<b>Total Shareholding of Promoters</b>									
<b>(A) = (A)(1)+(A)(2)</b>	<b>2391570</b>		<b>2391570</b>	<b>50.74</b>	<b>2391570</b>		<b>2391570</b>	<b>50.74</b>	

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in share holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds / UTI									
b) Banks / FI	750	2200	2950	0.06	750	2200	2950	0.06	
c) Central Govt.									
d) State Govt.(s)	95825		95825	2.03	95825		95825	2.03	
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-Total (B)(1):</b>	<b>96575</b>	<b>2200</b>	<b>98775</b>	<b>2.10</b>	<b>96575</b>	<b>2200</b>	<b>98775</b>	<b>2.10</b>	
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>	13513	6300	19813	0.42	13964	6300	20264	0.43	0.01
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital upto Rs.1 lakh	548800	390549	939349	19.93	554566	382839	937405	19.89	0.04
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 lakh	253376		253376	26.59	253376		253376	26.59	0
<b>c) Others</b>									
i) Non Resident Indians	9802	50	9852	0.21	9836	50	9886	0.21	0
Clearing Members	301		301	0.01	1760		1760	0.04	0.03
Trusts 100		100	100	100		100			
Qualified Foreign Investor									
<b>Sub-Total B(2):</b>	<b>1825892</b>	<b>396899</b>	<b>2222791</b>	<b>47.16</b>	<b>1833602</b>	<b>389189</b>	<b>2222791</b>	<b>47.16</b>	-
<b>Total B=B(1)+B(2):</b>	<b>1922467</b>	<b>399099</b>	<b>2321566</b>	<b>49.26</b>	<b>1930177</b>	<b>391389</b>	<b>2321566</b>	<b>49.26</b>	-
<b>C. Shares held by Custodians, against which</b>									
<b>GRANDTOTAL (A+B+C):</b>	<b>4314037</b>	<b>399099</b>	<b>4713136</b>	<b>100.00</b>	<b>4321747</b>	<b>391389</b>	<b>4713136</b>	<b>100.00</b>	-

**ii) Shareholding of Promoters**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Konda Laxmaiah	12,93,250	27.44%	27.35%	12,93,250	27.44%	27.35%	0.00%
2	Ramlaxman Paraboiled Rice Private Limited	10,98,320	23.30%	23.30%	10,98,320	23.30%	23.30%	0.00%
	<b>Total</b>	<b>23,91,570</b>	<b>50.74%</b>	<b>50.65%</b>	<b>23,91,570</b>	<b>50.74%</b>	<b>50.65%</b>	<b>0.00%</b>

**(iii) Change in Promoters' Shareholding (Please Specify, if there is no change)**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of company	No. of shares	% of total shares of company
	At the beginning of the year				
1	Konda Laxmaiah	1293250	27.44	1293250	27.44
2	Ramlaxman Paraboiled Rice Private Limited	1098320	23.30	1098320	23.30
	<b>TOTAL</b>	<b>2391570</b>	<b>50.74</b>	<b>2391570</b>	<b>50.74</b>
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc.) At the End of the year	<b>No Changes in Promoters shareholding during the year</b>			
1	Konda Laxmaiah	1293250	27.44	1293250	27.44
2	Ramlaxman Paraboiled Rice Private Limited	1098320	23.30	1098320	23.30
	<b>TOTAL</b>	<b>2391570</b>	<b>50.74</b>	<b>2391570</b>	<b>50.74</b>

**(iv) Shareholding Pattern of top ten Shareholders**
**(Others than Directors, Promoters & Holders of GDRs & SDRs of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of company	No. of shares	% of total shares of company
1	VASA VENKATESHWARLU	179580	3.81	179580	3.81
2	GUTTU SOUJANYA	172985	3.67	172985	3.67
3	GATTU SWARAJYAM	160000	3.39	160000	3.39
4	VIJAYA VASA	160000	3.39	160000	3.39
5	KAMALAMMA CHARUGONDLA	160000	3.39	160000	3.39
6	POLA SAROJANA	159358	3.38	159358	3.38
7	ANDHRA PRADESH INDUSTRIAL DEVELOPMENT CORPORATION LIMITED	95825	2.03	95825	2.03
8	SRIMANI VALLABHANENI	50000	1.06	50000	1.06
9	SANDEEP KUMAR AGARWAL (HUF)	54315	1.15	54315	1.15
10	SANDEEP AGARWAL	47034	1.00	0	0

**v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Particulars	Shareholding at the beginning of the year		Change in Shareholding		Shareholding at the end of the year	
		No. of shares	% of total shares of company	Increase	Decrease	No. of shares	% of total shares of company
NOT APPLICABLE							

**IV. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Rs. in Lacs)

Indebtedness at the beginning of the financial year	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	119319177	149245137	0	268564314
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>119319177</b>	<b>149245137</b>	<b>0</b>	<b>268564314</b>
Change in Indebtedness during the financial year	0	0	0	0
- Addition	0	56247265	0	56247265
- Reduction	58970504	0	0	58970504
<b>Net Change</b>	<b>(58970504)</b>	<b>56247265</b>	<b>0</b>	<b>(2723239)</b>
Indebtedness at the end of the financial year				0
i) Principal Amount	60348673	205492402	0	265841075
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>60348673</b>	<b>205492402</b>	<b>0</b>	<b>265841075</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD:**

(Rs.In Lakhs)

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	CFO	CS	
1	Gross salary	0	0	0	0
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 19610	0	0	0	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	- others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total (A)	0	0	0	0

**VI. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b> Penalty Punishment Compounding			None		
<b>B. DIRECTORS</b> Penalty Punishment Compounding			None		
<b>C. OTHER OFFICERS IN DEFAULT</b> Penalty Punishment Compounding			None		

**Annexure – III**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rules 8(3) of the Companies (Accounts), Rules, 2014 and forming part of Board's Report for the year ended 31<sup>st</sup> March, 2019.

The company has been putting regular efforts to improve Energy efficiency through energy conservative measures.

**A. Conservation of Energy**

- i. Energy conservation measures taken:
  - The Company has carried out various measures to optimize energy consumption.
  - The Company has replaced conventional electrical cables, MCBs etc with latest Electrical items.
- ii. Impact of measures taken:
  - Reduction in annual diesel oil consumption
  - Continuous alertness of power saving
- iii. Steps taken for utilizing alternate sources of energy:
  - The management takes effective steps to ensure minimal consumption of energy.
- iv. Capital investment on energy conservation equipments:
  - Capital expenditure has not been accounted for separately.

**B. Technology absorption**

Research and Development (R & D)

- i. Efforts in brief made towards Technology Absorption
  - The Company has adopted indigenous Technology for manufacture of formulations and no imported technology is involved.
  - The Company has an in house R & D Division for improving the quality, productivity and for developing the new viable products.
- ii. Benefits derived as a result of the above efforts:
  - Improving in product quality and productivity
  - Enhanced products range to address emerging market opportunities
- iii. Imported technology (imported during the last three years reckoned from the beginning of the financial year):
  - Not applicable as no technology was imported during the last three years.
- iv. Expenditure incurred on Research and Development
  - R & D Expenditure has not been accounted for separately.

**C. Foreign Exchange Earnings and Outgo**

The Company is making continuous efforts for exploring export market for Triphenyl Phosphine. Due to these efforts the Company was successful in identifying potential foreign buyers.

The Foreign Exchange used and earned during the year:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Foreign Exchange Earning	NIL	NIL
Foreign Exchange Outgo	NIL	NIL

By order of the Board

**SATYANARAYANA KAPUGANTI**

Director

(DIN: 07959357)

Place : Hyderabad

Date : 14<sup>th</sup> August, 2019

**MANAGEMENT DISCUSSION AND ANALYSIS**

Company overview:

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 manmade 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.

**(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 realistic and sustainable growth in steel production and in other key end user industries till 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 Telangana where the company is already a brand leader. Power remains another major threat to the industry. Severe power shortage and high cost of power in the State has rendered most of the factories very non remunerative.

**(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. 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.

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) Discussion on financial performance with respect to operational performance:**

Your Company has achieved the gross turnover of Rs. 1080.06 lakhs as against a turnover of Rs.1607.50 lakhs achieved during the previous financial year. The Company has incurred a Net loss of Rs240.45 lakhs as against loss of Rs1,692.33 lakhs during previous year.

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

It is your Company's belief that the competence and commitment of its people are key drivers of competitive advantage enabling the Company to compete successfully in the market place. Your Company endeavors to strengthen organizational culture in order to attract and retain the best talent and bring out the best in people.

**CAUTIONARY STATEMENT:**

Statements in the Management Discussion and Analysis describing the Company's objective, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates changes in the Government regulations, tax laws and other statutes and incidental factors. For and on behalf of the Board

By order of the Board

**SATYANARAYANA KAPUGANTI**

Director

Place : Hyderabad

Date : 14<sup>th</sup>August, 2019

(DIN: 07959357)



**REPORT ON CORPORATE GOVERNANCE**
**1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company’s Philosophy of Corporate Governance is in assisting the management for operating the industry in efficient way and meeting the obligations of shareholders and stakeholders. The Company believes in hard and sincere work for achieving goals and enhancing the long term values of the Company.

RAASI REFRACTORIES LIMITED, believes strongly that Corporate Governance is a comprehensive code of best practices being designed to achieve the high standards of the corporate behaviour and the Company is committed for the policy. The Company has practiced for good Corporate Governance.

RAASI REFRACTORIES Limited has created an environment for upholding the values like transparency, Integrity, accountability and responsibility while trying to enhance the long term values of the Company for its shareholders and stake holders.

**2. BOARD OF DIRECTORS:**
**Composition and Category of Directors:**

As on 31<sup>st</sup> March 2019, the Company’s Board consists of five members. The Chairman of the board is an Executive Director. The Company has an optimum combination of Executive and Non-Executive Directors in accordance with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’). The Board has two Executive Directors and three Non-Executive Independent Directors. None of the Directors is related to any other Director. The details of the composition is as follows:

Name	Category	No. of Directorships		No. of Committees	
		Public	Private	Member (including chairmanships)	Chairman
Sri Konda Venkanna	Director	1	2	3	0
Smt Konda Soujanya	Woman Director	1	0	0	0
Sri Konda Ramakrishna	Director	1	1	0	0
Sri Satyanarayana Kapuganti	Independent Director	1	0	0	3
Sri Suresh Silumula	Independent Director	1	0	3	0
Sri Rajendra Prasad Kandikattu	Nominee Director	3	0	0	0

None of the Directors holds equity shares in the Company.

**Board Meetings**

The Board met Four times during the year on 30/05/2018; 14/08/2018; 14/11/2018; and 14/02/2019. The Board meets at least four times a year with a maximum gap of one hundred and twenty days between any two meetings. Additional meetings are held, whenever necessary. The particulars of attendance of Directors at the Board Meetings and Annual General Meetings by Directors for the financial year ended 31.03.2019 has been set out here below:

S No.	Name of the Director	Designation	Attendance on Meetings held on				Attendance at last AGM on 29-09-2018
			30/05/2018	14/08/2018	14/11/2018	14/02/2019	
1	Sri Konda Venkanna	Director	YES	YES	YES	YES	YES
2	Smt Konda Soujanya	Woman	YES	YES	YES	YES	NO
3	SriKonda Ramakrishna	Director	YES	YES	YES	YES	NO
4	SriSatyanarayana Kapuganti	Independent	YES	YES	YES	YES	YES
5	SriSuresh Silumula	Independent	YES	YES	YES	YES	YES
6	Sri Rajendra Prasad Kandikattu	Nominee	NO	NO	NO	NO	NO

### 3. BOARD COMMITTEES:

Details of the Board Committees and other related information are provided hereunder:

#### 3.1. AUDIT COMMITTEE:

##### (i) Brief description of terms of reference:

The terms of reference stipulated by the Board to the Audit Committee includes review of the following:

- Management Discussion and Analysis of financial position and results of operations;
- Statement of significant related party transactions submitted by Management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal Audit Reports relating to internal control weaknesses; and the appointment, removal and terms of remuneration of the Chief Internal Auditor. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of Audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- The annual financial statements before submission to the Board for approval, with particular reference to following with the Management:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (3C) of Section 134 of the Companies Act, 2013
  - ii. Changes, if any, in accounting policies and practices and reasons for the same.
  - iii. Major accounting entries involving estimates based on the exercise of judgement by Management
  - iv. Significant adjustments made in the financial statements arising out of Audit findings

- v. Compliance with listing and other legal requirements relating to financial statements
- vi. Disclosure of any related party transactions
- vii. Qualifications in the draft Audit Report.
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with Internal Auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To review the functioning of the Whistle Blower Mechanism.

(ii) Composition and meetings:

The Audit Committee met four times during the year on 30.05.2018, 14.08.2018, 14.11.2018 and 14.02.2019. All the members of the audit committee are financially literate. The Chairman attended the last annual general meeting to answer shareholders' queries. The Particulars of composition of the audit committee and the details of attendance is as follows.

S No.	Name of the Director	Designation	Attendance on Meetings held on			
			30/05/2018	14/08/2018	14/11/2018	14/02/2019
1.	Satyanarayana Kapuganti	Chairman	Yes	Yes	Yes	Yes
2.	Suresh Silmula	Member	Yes	Yes	Yes	Yes
3.	Konda Venkanna	Member	Yes	Yes	Yes	Yes

The Statutory Auditors and Internal Auditors of the Company have also attended the above meetings on invitation. The recommendations made by the Audit Committee from time to time have been followed by the Company.

The Chairman of the Audit Committee has attended the Annual General Meeting to answer the queries raised by the Shareholders regarding Audit and Accounts.

The Company continued to derive immense benefit from the deliberation of the Audit Committee comprising of Non-Executive Independent Directors and one Executive Director.

**3.2.NOMINATION & REMUNERATION COMMITTEE:**

- (i) Brief description of terms of reference:  
The brief terms of reference of the Nomination and Remuneration Committee, inter alia, include the following:

- a. Identifying and selection of persons for appointment as directors and senior management in accordance with the criteria laid down and to recommend to the Board their appointment.
- b. Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- c. Recommend/review remuneration of the Managing Director and Whole time Director(s) based on performance and defined assessment criteria.
- d. Recommend to the Board a policy for selection and appointment of Directors, Key Managerial Personnel and other senior management positions.
- e. Formulate and review criteria for evaluation of performance of the Board of Directors
- f. Devise a policy on Board diversity.
- g. Succession planning for the Board level and key management positions.
- h. Carry out any other function as mandated by the Board from time to time and/or enforced by any statutory notification/amendment.

(ii) Composition and meetings:

The committee did not meet during the year as there was no need for appointment / resignation any Director / KMP. The Chairman attended the last annual general meeting to answer shareholders’ queries. The Particulars of composition of the Nomination and Remuneration committee is as follows.

S No.	Name of the Director	Category	Designation
1.	Satyanarayana Kapuganti	Independent Director	Chairman
2.	Suresh Silmula	Independent Director	Member
3.	Konda Venkanna	Independent Director	Member

The Company Secretary acts as the secretary to the Nomination and Remuneration Committee.

(iii) REMUNERATION POLICY:

The nomination and remuneration committee has adopted a Nomination and Remuneration Policy which, inter-alia, deals with the manner of selection of Board of Directors, KMP & other senior management and their remuneration. The extract of the same is as follows:

a) Remuneration to Executive Director and KMP:

Executive Directors and KMP are eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The Executive Director and KMP remuneration is determined based on levels of responsibility and scales prevailing in the industry. The executive directors are not paid sitting fee for any Board/Committee meetings attended by them.

b) Remuneration to Non-Executive Directors:

The Non- Executive / Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committees thereof.

(i) Details of Remuneration of Non - Executive Directors:

The Company do not pay sitting fees to the Non-executive Directors.

(ii) Pecuniary relationship or transactions of Non-Executive Director:

Apart from attending the Board and Audit Committee Meetings, the Non-Executive Independent Directors do not have any other material pecuniary relationship or transactions with the Company, its promoters or its Management, which in the opinion of the Board may affect independence of judgment of such Directors.

(iii) Details of Remuneration to Executive Directors:

The Company do not pay sitting fees to the Executive Directors.

c) FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS:

Your Company follows a structured orientation and familiarisation programme through various reports/codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved. The framework on familiarisation programme have been posted in the website of the Company.

d) INDEPENDENT DIRECTORS' MEETING:

During the year, meeting of Independent Directors was held to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

e) PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The Performance evaluation of the Chairman and Managing Director and the Non-Independent Directors was carried out by the Independent Directors. The Directors express their satisfaction with the evaluation process.

**3.3. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

- (i) Brief description of terms of reference:

The Stakeholders Relationship Committee constituted by the Board of Directors inter alia approves transfer of shares and redresses shareholders grievances.

- (ii) Composition:

Sl.No.	Name of Director	Designation
1	Satyanarayana Kapuganti	Chairman
2	Suresh Silmula	Member
3	Konda Venkanna	Member

- (iii) The Stakeholder Committee met 11 times during the financial year under review on 16.08.2018, 24.10.2018, 14.11.2018, 22.11.2018, 06.12.2018, 21.12.2018, 09.01.2019, 24.01.2019, 21.02.2019, 06.03.2019 and 20.03.2019. 14-08-2018, 14-11-2018 and 14-02-2019. The attendance of the meeting by the members of the committee is recorded as under all committee members present in all meetings.

The total number of complaints received and replied to the satisfaction of shareholders during the year was 0. There are no outstanding complaints as on 31.03.2019.

**3.4. RISK MANAGEMENT COMMITTEE:**

The Company has constituted a Risk Management Committee which has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Board of Directors review these procedures periodically.

**4. GENERAL BODY MEETINGS:**

- i) Details of the location and time of the last three Annual General Meetings of the company are as follows:

Year	Locations	Date	Time
2017-18	Kummara Samkshema Sangam, H NO. 10-1-105, Trimurthy Colony, Lingoji Guda, Saroor Nagar, Hyderabad 500 035	29.09.2018	10.00AM
2016-17	Kummara Samkshema Sangham, H No. 10-1-105, Trimurthy Colony, Lingoji Guda, Saroor Nagar, Hyderabad 500 035	29.09.2017	10.30 AM
2015-16	Kummara Samkshema Sangham, H No. 10-1-105, Trimurthy Colony, Lingoji Guda, Saroor Nagar, Hyderabad 500 035	30.12.2016	11.00 AM

- ii) Whether any special resolutions passed in the previous 3 AGMs

2015-16 : Nil

2016-17: Nil

2017-18: Nil

There were no occasions to pass Special Resolutions through postal ballot on any of the matters specified under provisions of SEBI (LODR) Regulations, 2015 and provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

Further, no such resolution is proposed to be placed for the approval of the shareholders at the forthcoming Annual General Meeting.

**5. DISCLOSURES:**

(i) Disclosures on materially significant related party transactions i.e., transactions of the company of material nature, with its promoter, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large:

Besides the transactions mentioned elsewhere in the Annual Report, there were no materially significant related party transactions during the year conflicting with the interest of the Company.

(ii) Details of non-compliance by the company, penalties, and strictures imposed on the company by Stock Exchange, SEBI or any statutory authority, on any matter related to capital markets, during the last three years: Nil.

(iii) Whistle Blower Policy:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI(LODR) Regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The policy is available on the Company website.

(iv) Non Mandatory Requirements:

Adoption of non-mandatory requirements of SEBI(LODR) Regulations, 2015 is being reviewed by the Board from time to time.

**Core Skill/Expertise/Competencies**

As stipulated under Schedule V of the SEBI Listing Regulations, core skills / expertise / competencies, as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors.

Chart/Matrix of such core skills/expertise/competencies is given in the Table below:

**List of Core Skills/Expertise/Competencies identified by the Board of Directors**

S.No.	Name of the Director	Core Skills/Expertise/Competencies
1.	Sri. Konda Venkanna	Business Development
2.	Smt. Konda Soujanya	Human Resources
3.	Sri. Konda Ramakrishna	Business Strategy
4.	Sri Satyanarayana Kapuganti	Statutory Compliances
5.	Sri Suresh Silumula	General Management
6.	Sri. Rajendra Prasad Kandikattu	Nominee Director

**Non-Disqualification of Directors**

Mr Naga Kishore, Company Secretary in practice has certified that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

**Fees Paid to Statutory Auditors**

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all the entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

During the year the Company has not paid any amount to the auditors.

**6. MEANS OF COMMUNICATION:****i) Financial / Quarterly Results:**

The Company intimates unaudited as well as audited financial results to the Stock Exchanges, immediately after the Board Meetings at which they are approved. The results of the Company are also published in at least one prominent national and one regional newspaper having wide circulation. Normally the results are published in Business Standard (English) and Nava Telangana (Telugu)..

**ii) Newspapers wherein results normally published**

The official news releases are published in Business Standard and Nava Telangana (Telugu) Newspapers, Detailed presentations made to institutional investors, financial analyst.

**iii) Website:**

The website contains a separate dedicated section for the Company's "Investor Relations" where shareholders' information is available. The full Annual Report, shareholding pattern etc., is also available in the 'Investor Relations' sections on the website of the Company.

**CEO/ CFO Certification**

In line with the requirements of Regulation 17 of the Listing Regulations, Sri Satyanarayana Kapugani Director, Sri Sistla Subrahmanya Sastry, CFO have submitted a certificate to the Board, certifying inter-alia, that the Financial Statements and the Cash Flow Statement for the year ended March 31, 2019 were reviewed to the best of their knowledge and belief, that they do not contain any material untrue statement, do not omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with the applicable laws and regulations. The certificate further confirms that the transactions entered into by the Company for establishing internal control, financial reporting, evaluation of the internal control systems and making of necessary disclosures to the Auditors and the Audit Committee have been complied with.

**7. The Management Discussion and Analysis Report:**

A Report of the Management Discussion and Analysis is attached as part of the Annual Report.



**i) GENERAL SHAREHOLDER INFORMATION:**

Annual General Meeting	Date : 30 <sup>th</sup> September, 2019 Time : 10.00 A.M. (Monday) Venue: Kummara Samkshema Sangham HNo. 10-1-105, Trimurthy Colony, Lingoji Guda, Saroor Nagar, Hyderabad 500 035
Financial Calendar	1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019.
Date of Book Closure	23.09.2019 to 29.09.2019 (both days inclusive)
Listing on Stock Exchanges	BSE Ltd & Hyderabad Stock Exchange Ltd
Stock Code	502271
ISIN Number for NSDL & CDSL	INE858D01017

**iii) Registrar and Transfer Agents**

Share Transfers & Communication regarding Share Certificates, Dividends & Change of Address may be sent to

M/s.Aarthi Consultants Pvt Ltd.,

Regd. Office: 1-2-285, Domalguda,

Hyderabad – 500029.

Phone Nos : 040-27638111, 27634445, Fax: 040-27632184,

Email: info@arthiconsultants.com, Website: www.aarthiconsultants.com

**iv) Share Transfer System**

The Shares lodged for transfer at the Registrar's address are normally processed within 15 days from the date of lodgement, if the documents are clear in all respects. All requests for dematerialization of shares are processed and the confirmation is given to the depositories within 15 days. With a view to expedite the process of share transfers, the Board has appropriately delegated the powers of approval of share transfers. The work of Registrars and Share Transfer Agents is being monitored and reviewed. The dematerializations of shares are directly transferred to the beneficiaries by the Depositories.

**v) Reconciliation of Share Capital Audit:**

As stipulated by the SEBI, a qualified Practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted Capital with NSDL and CDSL and the total issued and listed capital. The Audit is carried out every quarter and the Report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The Report inter-alia confirms the total listed and paid up share capital of the Company is in agreement with the aggregate of the total dematerialised shares and those in the physical mode.

**vi) Distribution of shareholding Pattern as on 31<sup>st</sup> March, 2019.**

Category	No. of Shares	% of Shares
NSDL	1862950	39.52676%
CDSL	2458797	52.16902%
Physical	391389	8.30422%
<b>TOTAL</b>	<b>4713136</b>	<b>100.00</b>

**vii) Shareholding Pattern as on 31<sup>st</sup> March, 2019:**

Category	No. of Shares	% Holding
Promoters	2391570	50.74%
Institutional Investors	2950	0.06%
Bodies Corporate	20264	0.43
State Government	95825	2.03
Individuals	2190781	46.48
NRI	9886	0.21
Clearing Members	1760	0.04
Trust	100	0.01
Total	4713136	100

**viii) Dematerialisation of Shares & Liquidity**

The trading in Company's shares is permitted only on dematerialized form. In order to enable the shareholders to hold their shares in electronic form and to facilitate scrip-less trading, the Company has enlisted its shares with NSDL and CDSL.

- ix) Outstanding ADRs / GDRs / Warrants or any : Nil
- x) Listing on Stock Exchanges

The equity shares of the Company are listed on BSE. The annual listing fee for the year 2018-19 has not been paid to the stock exchange. The Company's stock exchange codes are as mentioned below. The Company will pay the annual custodial fee for the year 2018-19 to both the depositories namely, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on receipt of the invoices.

**xi) Stock Market Data**

The below mentioned Table gives the monthly high and low prices of the Company's equity shares on BSE for the year 2018-19.

Month	BSE Limited	
	High (in Rs.)	Low (in Rs.)
April, 2018	3.39	3.23
May, 2018	3.55	3.08
June, 2018	3.41	3.09
July, 2018	3.93	3.58
August, 2018	5.75	4.12
September, 2018	0	0
October, 2018	6.94	6.03
November, 2018	8.84	7.28
December, 2018	10.22	9.28
January, 2019	19.97	10.22
February, 2019	18.05	9.50
March, 2019	9.31	7.22

**xii) Distribution Schedule :**

The below mentioned table gives the distribution schedule of equity shares of the Company for the year ending 31<sup>st</sup> March, 2019.

Sl. No.	Category	No.of shareholders	%	No.of shares	%
1.	1 – 5000	5484	95.91	506077	10.74
2	5001 – 10000	119	2.07	92049	1.95
3	10001 – 20000	65	1.13	97663	2.07
4	20001 – 30000	20	0.35	50043	1.06
5	30001 – 40000	13	0.23	45526	0.97
6	40001 – 50000	7	0.12	34448	0.73
7	50001 – 100000	16	0.28	111351	2.36
8	100001 & above	18	0.31	3775979	80.12
	<b>TOTAL</b>	<b>5742</b>		<b>4713136</b>	<b>100.00</b>

8. A code of conduct is duly approved by the Board on 29.04.2009 is communicated to all Directors and Senior Management of the company and affirmed by them as to its compliance on an annual basis. Code conduct is posted on website of the Company. A declaration to this effect signed by Chairman & Managing Director of the Company forms part of this report.

**9. Address for Correspondence**

Sl. No.	Shareholders Correspondence for	Address
1.	Transfer/Dematerialization/ Consolidation / Split of shares, Issue of Duplicate Share Certificates, Non-receipt of dividend/ Bonus.	<b>M/s. Aarathi Consultants Pvt.Ltd</b> Regd.Office:1-2-285, Domalguda, Hyderabad - 500 029. Phone No's : 040-27638111, 27634445, 27642217, 66611921 Fax: 040-27632184, Email: info@aarthiconsultants.com, Website: <a href="http://www.aarthiconsultants.com">www.aarthiconsultants.com</a>
2.	Shareholders general correspondence/ Queries on Annual Report.	RAASI REFRACATORIES LIMITED 15-145/9, Kodandaram Nagar Saroornagar, Near Sarada Talkies Hyderabad - 500060. Tel: +91 040-24054462 E-mail: <a href="mailto:marketing@raasi.in">marketing@raasi.in</a> Investor Complaints:

**10. Depository Services:**

For guidance on Depository Services, Shareholders may write to the Company or to the respective Depositories:

National Securities Depository Ltd Trade World, 4 <sup>th</sup> Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400 013 Tel : 091-022-24972964-70 Fax : 091-022-24972993 / 24976351 Email : info@nsdl.co.in	Central Depository Services (India) Ltd PhirozeJeejeebhoy Towers, 17 <sup>th</sup> Floor, Dalal Street, Mumbai – 400 023 Tel : 091-022-22723333/22723224 Fax: 091-022-22723199 Email : investors@cdslindia.com
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**11. Company's Policy on prevention of insider trading:**

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, and in continuation with your Company's efforts to enhance the standards of corporate governance in the Company and to strictly monitor and prevent insider trading within the company, your company has in place a Code of Conduct which is approved by the Board.

On December 31, 2018, Securities and Exchange Board of India amended the Prohibition of Insider Trading Regulations, 2015, prescribing various new requirements with effect from April 1, 2019. In line with the amendments, your Company has adopted an amended Code of Conduct to regulate, monitor and report trading by Designated Persons and their Immediate Relatives under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code of practices and procedures for fair disclosure of unpublished price sensitive information.

- 12. Plant Location** : The Company's Plant is Located at :  
RAASI REFRACTORIES LIMITED  
Lakshmipuram, Narketpally,  
Nalgonda District, Telangna – 508254.
- 13. Address for Correspondence** : RAASI REFRACTORIES LIMITED  
15-145/9, Kodandaram Nagar,  
Saroornagar, Near sarada Talkies  
Hyderabad- 500060.

**Declaration of compliance with Code of Conduct**

This is to certify that the Company had laid down code of conduct for all the Board members and Senior Management Personnel of the Company and the same is uploaded on the website of the Company [www.investorsatril.com](http://www.investorsatril.com).

Further, I hereby confirm that the Company has obtained from all the members of the Board of Directors and Senior Management Personnel affirmation that they have complied with the code of conduct applicable to them during the year ended 31<sup>st</sup> March 2019.

By order of the Board

**SATYANARAYANA KAPUGANTI**

Director

Place : Hyderabad

Date : 14<sup>th</sup> August, 2019

(DIN: 07959357)

**Chairman and Chief Financial Officer Certification**

**This is to certify that**

- a. We have reviewed financial statements and the cash flow statement for the year 2018-19 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. 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 violate the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Hyderabad  
Date : 14<sup>th</sup> August, 2019

**(Satyanarayana Kapuganti)**  
Director  
(DIN: 07959357)

**(Sistla Subrahmanya Sastry)**  
Chief Financial Officer

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of **RAASI REFRACTORIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by Raasi Refractories Limited, for the year ended 31<sup>st</sup> March, 2019 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of these conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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 and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 **GMK Associates**  
Chartered Accountants  
Firm Regd. No. 006945S

**(M S PRAKASA RAO)**  
Partner  
(M.No.027278)

Place : Hyderabad  
Date : 14<sup>th</sup> August, 2019

**INDEPENDENT AUDITOR'S REPORT**

To

**The Members of Raasi Refractories Limited**

**Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the standalone financial statements of Raasi Refractories Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2019, and profit, changes in equity and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Qualified Opinion**

The company has claimed excess Input Tax Credit as per the returns submitted under the Goods and Service Tax Act, 2017 for an amount of Rs.2,52,89,088/-. The same was reported to Ministry of Corporate affairs through form ADT-4 dated 10<sup>th</sup> April, 2019.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Paragraph 40(b) of this SA explains that the shaded material below can be located in an Appendix to the auditor's report. Paragraph 40(c) explains that when law, regulation or applicable auditing standards expressly permit, reference can be made to a website of an appropriate authority that contains the description of the auditor's responsibilities, rather than including this material in the auditor's report, provided that the description on the website addresses, and is not inconsistent with, the description of the auditor's responsibilities below.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,
- (f) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note XX to the financial statements;
  2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable.
  3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **GMK Associates**  
Chartered Accountants  
Firm Regd. No. 006945S

**(M S PRAKASA RAO)**  
Partner  
(M.No.027278)

Place : Hyderabad  
Date : 30-05-2019

**ANNEXURE-A TO THE AUDIT REPORT**

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March 2019, we report that:

1. a) The Company has maintained requisite records showing required particulars including quantitative details and situation of its fixed assets.
  - b) According to the information and explanation given to us by the management, most of the fixed assets of the company have been physically verified by the management during the year and the intervals of such verification had also been reasonable.
2. As explained to us by the management and as observed by us, the inventory of raw material, finished goods, stores and spares etc. has been physically verified during the year and specifically at the year-end by the management and no material discrepancies were observed in the inventories.
3. Based on our scrutiny and as per information and explanations provided to us by the management, the company has not granted any loans during the period under review covered in the registers maintained under section 189 of the Companies Act, 2013. Since there are no loans granted sub-clauses a, b and c are not applicable.
4. Based on our scrutiny and as per the information provided by the management, the company has transactions in respect of unsecured loans with 3 parties. Accordingly, the details have been entered in the respective registers and the company has generally complied with the provisions of Sections 185 and 186 of the Companies Act, 2013.
5. Based on our scrutiny and as per the information provided by the management, the company has not accepted any deposits during the year under review.
6. According to the information and explanations given, the maintenance of cost records as specified under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable for the year under review.
7. a) According to the books and records as produced and examined by us in accordance with Generally Accepted Auditing Practices in India and also based on management representations, undisputed statutory dues in respect of provident fund, employee state insurance, income tax, service tax, sales tax, value added tax, excise duty, cess and other material statutory dues have not been regularly deposited by the company during the year with the appropriate authorities and the outstanding statutory dues as at the end of the financial year outstanding for more than 6 months are as follows:

<b>Nature of Statutory Dues</b>	<b>Amount (Rs. in Lakhs)</b>
Provident Fund	65.25
Employees State Insurance	6.59
Income Tax	23.11
Sales Tax	38.63
Tax Deducted at Source	7.92
Goods and Service Tax	471.95

- b) According to information and explanations given to us, disputed amounts payable in respect of Income Tax and Provident Fund and outstanding as on 31<sup>st</sup> March, 2019 are as follows:

Nature of dues	Dispute Pending Before	Amount (Rs. in Lakhs)
Income Tax	Commissioner of Income Tax (Appeals)	14.48
Provident Fund	High Court of Judicature at Hyderabad for the state of Telangana and state of Andhra Pradesh	90.47

8. As observed by us and as per the information and explanations given by the management, the company has delayed the repayment of dues to financial institution and banks during the year under audit.
9. As observed by us, the company has not availed any Term Loans from Banks during the year. The clause regarding the moneys raised by way of IPO or FPO are not applicable to the company for the year under review.
10. Based upon the audit procedures performed and information and explanations given by the management, we report that no material fraud on or by the company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the company, the managerial remuneration paid/provided during the year by the company is as per the provisions of section 197 read with Schedule V of the Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with related parties are in compliance with section 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. As observed by us and as per the information and explanations given by the management, the company has not entered into any non-cash transactions with the directors or persons connected with him, during the period under review.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **GMK Associates**  
Chartered Accountants  
Firm Regd. No. 006945S

**(M S PRAKASA RAO)**  
Partner  
(M.No.027278)

Place : Hyderabad  
Date : 30-05-2019

**ANNEXURE-B TO THE AUDITORS REPORT**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the act”)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the act”)**

We have audited the internal financial controls over financial reporting of Raasi Refractories Limited (“the company”) as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The company’s management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to company’s policies the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial controls over Financial Reporting (“the Guidance Note”) and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of

financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principle, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following weaknesses have been identified as at 31<sup>st</sup> March, 2019:

- The company did not have an appropriate internal control system to verify the sales and purchases reported in the books of account and those being reported in the monthly returns filed in GST. There was vast variation in the input credit shown in the books of account and that which has been claimed in the GST returns filed.

In our opinion, except for the possible effects of the material discrepancies reported above, the company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial reporting issued by the institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing and the extent of the audit tests applied in our audit of the 31<sup>st</sup> March, 2019 standalone financial statements of the company and these material weaknesses do affect our opinion on the standalone financial statements of the Company.

For **GMK Associates**  
Chartered Accountants  
Firm Regd. No. 006945S

**(M S PRAKASA RAO)**  
Partner  
(M.No.027278)

Place : Hyderabad  
Date : 30-05-2019

**AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH 2019**

Particulars	Note No.	31st March 2019 Rs.	31st March 2018 Rs.
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	2	61,971,899	64,756,390
Capital work-in-progress	2	26,763,877	26,587,977
<b>Total non-current assets</b>		<b>88,735,776</b>	<b>91,344,367</b>
<b>Current assets</b>			
Inventories	3	58,502,210	147,327,763
<b>Financial assets</b>			
Trade receivables	4	345,055,124	271,377,000
Cash and cash equivalents	5	4,173,758	4,027,589
Other bank balances	6	8,765,022	10,159,812
Other financial assets	7	18,120,357	32,606,331
Other current assets	8	89,122,804	130,102,020
<b>Total current assets</b>		<b>523,739,275</b>	<b>595,600,514</b>
<b>TOTAL ASSETS</b>		<b>612,475,051</b>	<b>686,944,881</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	9	47,131,360	47,131,360
Other equity	10	(219,021,004)	(259,032,350)
<b>Total Equity</b>		<b>(171,889,644)</b>	<b>(211,900,990)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	11	206,707,937	216,565,662
Provisions	12	2,570,516	2,046,353
Deferred tax liabilities		10,454,535	10,454,535
Other Non-current liabilities	13	37,699,964	49,720,023
<b>Total Non-current liabilities</b>		<b>257,432,953</b>	<b>278,786,574</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	14	219,706,279	211,736,139
Trade Payables	15	95,386,268	152,856,798
Other financial liabilities			
Other current liabilities	16	211,839,195	255,466,360
Provisions			
<b>Total current liabilities</b>		<b>526,931,742</b>	<b>620,059,297</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>612,475,051</b>	<b>686,944,881</b>

"See accompanying notes forming part of the financial statements"

AS PER OUR REPORT OF EVEN DATE

for and on behalf of the Board

for **GMK Associates**

for Raasi Refractories Limited

Chartered Accountants

Firm Regn No. 006945S

**M.S. Prakasa Rao**

Partner

M.No. 027278

**S. SURESH**

Director

**K. SATYANARAYANA**

Director

Place: Hyderabad

Date : 30<sup>th</sup> May, 2019

**AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MAR 2019**

(Amount in Rs.)

Particulars	Note No.	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
Revenue from operations	17	412,651,402	217,540,400
Other Income	18	746,207	349,317
<b>Total income</b>		<b>413,397,609</b>	<b>217,889,717</b>
<b>Expenses</b>			
Cost of materials consumed	19	198,316,184	160,082,822
Changes in inventories of finished goods, work in progress and stock in trade	20	92,586,581	(63,356,092)
Employee benefit expense	21	7,167,855	4,306,284
Finance cost	22	35,101,584	35,036,610
Depreciation and amortization expense	23	2,875,251	12,127,032
Other expenses	24	61,765,058	62,816,511
<b>Total expenses</b>		<b>397,812,513</b>	<b>211,013,166</b>
<b>Profit/(loss) before extraordinary, exceptional items and tax</b>		<b>15,585,096</b>	<b>6,876,550</b>
<b>Extraordinary items</b>	25	<b>24,877,749</b>	-
<b>Exceptional items</b>		-	-
<b>Profit/(loss) before tax</b>		<b>40,462,845</b>	<b>6,876,550</b>
Tax expense			
(i) Current tax		-	-
(ii) Previous years tax		-	-
(ii) Deferred tax		-	-
<b>Net profit/(loss) for the period/year</b>		<b>40,462,845</b>	<b>6,876,550</b>
<b>Other comprehensive income</b>			
A (i) Items that will not be reclassified to Statement of Profit and loss		<b>(524,163)</b>	<b>(504,404)</b>
(ii) Income tax relating to items that will not be reclassified to Statement of Profit and loss		-	-
B (i) Items that will be reclassified to Statement of Profit and loss		-	-
(ii) Income tax relating to items that will be reclassified to Statement of Profit and loss		-	-
<b>Total comprehensive Income</b>		<b>39,938,682</b>	<b>6,372,146</b>
<b>Earnings per equity share (EPS)</b>			
Paid up Equity Share Capital (Face value of Rs.10/- each per equity share)		47,131,360	47,131,360
Basic and Diluted Earnings per share of Rs.10/- each ( <i>not annualised</i> ) Rs.		0.85	0.14

See accompanying notes forming part of the financial statements

AS PER OUR REPORT OF EVEN DATE

**for and on behalf of the Board**

 for **GMK Associates**

Chartered Accountants

Firm Regn No. 006945S

**for Raasi Refractories Limited**
**M.S. Prakasa Rao**

Partner

M.No. 027278

**S. SURESH**

Director

**K. SATYANARAYANA**

Director

Place: Hyderabad

 Date : 30<sup>th</sup> May, 2019

**NOTES FORMING PART OF THE FINANCIAL STATEMENT.****Note Particulars****1 Corporate Information**

Raasi Refractories Limited is engaged in manufacture and sale of refractories

**1.1 Significant accounting policies**

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

**1.2 Basis of Preparation and Presentation**

The financial statements have been prepared on the historical cost basis and on accrual basis in accordance with the Indian Accounting Standards ("Ind AS") notified under the companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules, 2016

**1.3 Use of estimates and judgments**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

**1.4 Property, plant and equipment**

Property, plant and equipment are stated at cost, net off recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price and any cost directly attributable to bringing the assets to its working conditions for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses upon disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment and are recognised in the statement of profit and loss.

Depreciation on property, plant and equipment is provided using written down value method. Depreciation is provided based on useful life of the assets as prescribed in schedule II to the companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**1.5 Financial Assets****Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchase and sale of financial assets are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.



**Subsequent measurement****i. Financial assets carried at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**ii. Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

For trade receivables, Company applies 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach require the Company to recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

**Financial Liabilities****Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable transaction costs. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**Derecognition of financial instruments**

A financial asset (or a part of the financial asset) is derecognized from the Company's balance sheet when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of the financial liability) is derecognized from the Company's balance sheet when the obligation under the liability is discharged or cancelled or expires.

**1.6 Cash and cash equivalents**

Cash and cash equivalents consist of cash at banks and on hand, demand deposits and other short term deposits that are readily convertible into known amounts of cash, are subject to insignificant risk of changes in value and have a maturity of three months or less.

**1.7 Inventories**

Inventories consist of raw materials, stores and spares, work-in-progress and finished goods are measured at the lower of cost and net realisable value after providing for obsolescence. The cost of all categories of inventories is based on the weighted average method. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense.

### **1.8 Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated to determine the extent of impairment if any.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). An impairment loss is recognised in the statement of profit and loss to the extent, the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### **1.9 Provisions, Contingent Liabilities and Contingent Assets**

#### **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### **Contingent liabilities**

A contingent liability is disclosed when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### **Contingent assets**

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

### **1.10 Revenue recognition**

Effective 1st Apr, 2018 the Company has applied Ind AS 115. This comprehensive new standard will supersede existing revenue recognition guidance, and requires an entity to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

#### **i. Sale of goods**

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing effective control or management involvement with the goods, and the amount of revenue can be measured reliably. Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government.

#### **ii. Interest Income**

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate applicable.

**1.11. Employee Benefits Expense****i. Short Term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

**ii. Post-Employment Benefits****Defined Contribution Plans**

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company's contributions to defined contribution plans are recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**Defined Benefit Plans**

The liability in respect of gratuity benefit is determined using the Projected Unit Credit Method based on actuarial valuation, performed by an independent qualified actuary.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

**1.12 Finance cost**

Interest expenditure has been accounted using effective interest rate method.

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are capitalized as part of the cost of such assets. All other borrowing costs are charged to the statement of profit and loss for which they are incurred.

**1.13 Tax Expenses**

The tax expense for the period comprises current and deferred tax. Tax expense is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

**Current tax**

Current tax is the expected tax payable on the taxable income for the year, using the tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years

**Deferred tax**

Deferred tax is recognised using the balance sheet method on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding amounts used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the temporary differences in the period in which the liability is settled or the asset realised, based on tax laws that have been enacted or substantively enacted by the end of reporting period.

**1.14 Earnings per share**

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares except where the result would be anti dilutive.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019.**  
**Note No. 2**

**FIXED ASSETS - TANGIBLE**

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 1 <sup>st</sup> April 2018 Rs.	Additions during the year Rs.	Deletions during the year Rs.	As at 31 <sup>st</sup> March 2019 Rs.	Upto 1 <sup>st</sup> April 2018 Rs.	For the year Rs.	Eliminated on disposal of assets during the year Rs.	Upto 31 <sup>st</sup> March 2019 Rs.	As at 31 <sup>st</sup> March 2019 Rs.	As at 31 <sup>st</sup> March 2018 Rs.
<b>TANGIBLE ASSETS</b>										
LAND AND SITE	1,883,953	-	142,240	1,741,713	-	-	-	-	1,741,713	1,883,953
DEVELOPMENT	69,968,402	-	-	69,968,402	16,055,887	1,882,720	-	17,938,607	52,029,795	53,912,515
BUILDING	179,873,762	184,000	-	180,057,762	172,412,356	486,200	-	172,898,556	7,159,206	7,461,406
PLANT AND MACHINERY										
FURNITURE AND										
FIXTURES	2,248,887	-	-	2,248,887	2,248,887	-	-	2,248,887	-	-
OFFICE EQUIPMENT	2,203,001	49,000	-	2,252,001	2,128,731	10,018	-	2,138,749	113,252	74,270
VEHICLES	5,224,348	-	-	5,224,348	3,800,102	496,313	-	4,296,415	927,933	1,424,246
<b>TOTAL</b>	<b>261,402,353</b>	<b>233,000</b>	<b>142,240</b>	<b>261,493,113</b>	<b>196,645,963</b>	<b>2,875,251</b>	<b>-</b>	<b>199,521,214</b>	<b>61,971,899</b>	<b>64,756,390</b>
CAPITAL WORK IN										
PROGRESS	26,587,977	175,900	-	26,763,877	-	-	-	-	26,763,877	26,763,877
<b>TOTAL</b>	<b>26,587,977</b>	<b>175,900</b>	<b>-</b>	<b>26,763,877</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,763,877</b>	<b>26,587,977</b>
<b>PREVIOUS YEAR</b>	<b>259,454,706</b>	<b>1,947,647</b>	<b>-</b>	<b>261,402,353</b>	<b>184,518,931</b>	<b>12,127,032</b>	<b>-</b>	<b>196,645,963</b>	<b>64,756,385</b>	<b>74,935,775</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS.**

Note No.	PARTICULARS	As at 31 <sup>st</sup> March 2019 (Rs.)	As at 31 <sup>st</sup> March 2018 (Rs.)
<b>3</b>	<b>INVENTORIES</b>		
	Raw Materials	18,817,796	13,348,960
	Work-in-progress	17,111,948	66,883,139
	Finished Goods	16,654,690	59,470,080
	Stores & Spares	5,627,111	7,462,676
	Coal	244,350	116,593
	Furnace Oil	46,315	46,315
		<u>58,502,210</u>	<u>147,327,763</u>
<b>4</b>	<b>TRADE RECEIVABLES</b>		
	<b>Unsecured</b>		
	Considered good	345,055,124	271,377,000
	Considered doubtful	-	-
		<u>345,055,124</u>	<u>271,377,000</u>
<b>5</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Balances with banks		
	In Current accounts	4,044,890	4,016,510
	Cash on hand	128,868	11,079
		<u>4,173,758</u>	<u>4,027,589</u>
<b>6</b>	<b>OTHER BANK BALANCES</b>		
	Margin money for bank guarantees	8,765,022	10,159,812
		<u>8,765,022</u>	<u>10,159,812</u>
<b>7</b>	<b>OTHER FINANCIAL ASSETS</b>		
	Interest receivable	955,084	1,528,274
	Security deposits	17,165,273	31,078,057
		<u>18,120,357</u>	<u>32,606,331</u>
<b>8</b>	<b>OTHER CURRENT ASSETS</b>		
	<b>Unsecured and considered good</b>		
	Advance to vendors for supply of goods & services	54,117,608	100,800,042
	Balances with statutory/government authorities	21,532,324	20,505,261
	Advance for expenses	11,677,010	7,964,336
	Prepaid expenses	27,000	27,000
	Advance Income Tax(Net)	1,768,862	805,381
		<u>89,122,804</u>	<u>130,102,020</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS.**

Note No.	PARTICULARS	As at 31 <sup>st</sup> March 2019 (Rs.)	As at 31 <sup>st</sup> March 2018 (Rs.)
9	<b>SHARE CAPITAL</b>		
	<b>Authorised share capital</b>		
	2,50,00,000 Equity shares of Rs.10/- each	250,000,000	250,000,000
	<b>Issued, subscribed and fully paid-up</b>		
	47,13,136 Equity Shares of Rs.10/- each with voting rights	47,131,360	47,131,360
		<u>47,131,360</u>	<u>47,131,360</u>

**a. Reconciliation of equity shares outstanding at the beginning and at the end of the year**

Particulars	31-Mar-19		31-Mar-18	
	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	4,713,136	47,131,360	4,713,136	47,131,360
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<u>4,713,136</u>	<u>47,131,360</u>	<u>4,713,136</u>	<u>47,131,360</u>

**b. Rights attached to the equity shares**

The company has only one class of shares having a face value of Rs. 10/- per share. All equity shareholders rank pari-passu in respect of dividend and voting rights. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of preferential amounts, in proportion to their shareholding.

**c. Details of shareholders holding more than 5% shares in the Company**

Particulars	31-Mar-19		31-Mar-18	
	No of Shares	% of holding	No of Shares	% of holding
Mr. Konda Laxmaiah	1,293,250	27.44%	1,293,250	27.44%
M/s Ramlaxman Parabolised Rice Mill P Ltd	1,098,320	23.30%	1,098,320	23.30%

**10. STATEMENT OF CHANGES IN EQUITY AND OTHER EQUITY**

PARTICULARS	EQUITY SHARE CAPITAL	RESERVES & SURPLUS				TOTAL OTHER EQUITY
		SECURITIES PREMIUM	CENTRAL SUBSIDY & SHARE FORFEITURE	PROFIT AND LOSS	OTHER COMPREHENSIVE INCOME	
<b>Balance as at 1st Apr 17</b>	47,131,360	16,900,000	1,530,443	(283,834,940)	-	(265,404,497)
Profit for the year				6,876,550	-	6,876,550
Total Comprehensive Income for the year				-	(504,404)	-504,404
<b>Balance as at 31st Mar 18</b>	47,131,360	16,900,000	1,530,443	(276,958,390)	(504,404)	(259,032,350)
Profit for the year	-	-	-	40,462,845	-	40,462,845
Total Comprehensive Income for the year	-	-	-	-	(524,163)	(524,163)
<b>Balance as at 31st Mar 19</b>	47,131,360	16,900,000	1,530,443	(236,495,545)	(1,028,567)	(219,093,669)

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS.**

Note No.	PARTICULARS	As at 31 <sup>st</sup> March 2019 (Rs.)	As at 31 <sup>st</sup> March 2018 (Rs.)
<b>11</b>	<b>BORROWINGS</b>		
	<b>Secured</b>		
	SREI Equipment		67,320,526
	Vehicle Loan	1,292,689	-
	<b>Unsecured</b>		
	loans from directors (Promoters Group)	205,492,402	149,245,137
		<u>206,785,091</u>	<u>216,565,662</u>
<b>12</b>	<b>PROVISIONS</b>		
	<b>Provision for employee benefits</b>		
	Gratuity	2,570,516	2,046,353
		<u>2,570,516</u>	<u>2,046,353</u>
<b>13</b>	<b>OTHER NON CURRENT LIABILITIES</b>		
	Advance received against sale of land	37,699,964	49,720,023
		<u>37,699,964</u>	<u>49,720,023</u>
<b>14</b>	<b>BORROWINGS</b>		
	<b>Loans repayable on demand (Unsecured)</b>		
	From banks		
	Cash credit facilities	159,357,606	159,737,488
	Others		
	SREI Equipment Finance Limited	60,348,673	51,998,651
		<u>219,706,279</u>	<u>211,736,139</u>
<b>15</b>	<b>TRADE PAYABLES</b>		
	Due to micro, small and medium enterprises		
	Others	95,386,268	152,856,798
		<u>95,386,268</u>	<u>152,856,798</u>
<b>16</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Advance from customers	11,831,547	77,735,284
	Statutory remittances	76,568,727	60,249,047
	Payable to employees	6,797,239	12,809,965
	Other current liabilities	116,641,682	104,672,064
		<u>211,839,195</u>	<u>255,466,360</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS.**

Note No.	PARTICULARS	As at 31 <sup>st</sup> March 2019 (Rs.)	As at 31 <sup>st</sup> March 2018 (Rs.)
17	<b>REVENUE FROM OPERATIONS</b>		
	Sale of Products	412,651,402	217,540,400
		<u>412,651,402</u>	<u>217,540,400</u>
18	<b>OTHER INCOME</b>		
	Interest Income	-	-
	Interest on Margin Money	746,207	349,317
	Interest on electricity deposit	746,207	349,317
		<u>746,207</u>	<u>349,317</u>
19	<b>COST OF MATERIALS CONSUMED</b>		
	Opening stock	13,348,960	13,150,236
	Add:Purchases	203,785,020	160,281,546
	Less: Closing stock	18,817,796	13,348,960
		<u>198,316,184</u>	<u>160,082,822</u>
20	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS</b>		
	<b>Finished Goods</b>		
	Opening Stock	59,470,080	33,853,546
	Closing Stock	16,654,690	59,470,080
		<u>42,815,390</u>	<u>(25,616,534)</u>
	<b>Work-in-progress</b>		
	Opening Stock	66,883,139	29,143,581
	Closing Stock	17,111,948	66,883,139
		<u>49,771,191</u>	<u>(37,739,558)</u>
	<b>Net Increase/(Decrease)</b>	<u>92,586,581</u>	<u>(63,356,092)</u>
21	<b>EMPLOYEE BENEFIT EXPENSE</b>		
	Salaries and wages	6,935,080	4,201,335
	Contribution to provident and other funds	232,775	104,949
		<u>7,167,855</u>	<u>4,306,284</u>
22	<b>FINANCE COSTS</b>		
	Interest on borrowings	13,570,368	20,091,241
	Other borrowing costs	21,531,215	14,945,369
		<u>35,101,584</u>	<u>35,036,610</u>
23	<b>OTHER EXPENSES</b>		
	Administrative Expenses	1,150,715	892,290
	Bank Charges	-	2,354,976
	Consumption of Stores and Spares	30,631,626	13,177,901
	Legal & Professional Charges	245,200	21,670
	Other Manufacturing Expenses	261,908	15,592,131
	Payment to Auditors- Statutory Audit Fee	252,000	252,000
	Power & Fuel	6,368,029	6,070,273
	Repairs & Maintenance	222,678	482,819
	Insurance	119,000	166,260
	Rent,Rates & Taxes	557,969	272,844
	Travelling & Conveyance	774,304	1,081,333
	Printing & Stationery	23,802	34,943
	Postage, Telegrams & Telephones	46,724	81,780
	Selling & Marketing Expenses	20,822,992	22,305,290
	Prior period expenses	266,880	-
	Donations	21,232	30,000
		<u>61,765,058</u>	<u>62,816,511</u>
24	<b>EXCEPTIONAL ITEMS</b>		
	Profit on sale of asset	24,877,749	-
		<u>24,877,749</u>	<u>-</u>



**NOTES FORMING PART OF THE FINANCIAL STATEMENT.**
**25 Employee Benefits**
**a. Defined contribution plan**

Eligible employees of the Company receive benefits from a provident fund, which is a defined contribution plan. Both the employee and Company make monthly contributions to the provident fund plan equal to a specified percentage of the eligible employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company contributed Rs. 4,673/- (Previous year Rs. 18,261/-) towards provident fund plan during the years ended 31 March 2019

**b. Defined benefit plan**

The Company provides for gratuity, a defined benefit plan ("Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amount of the payment is based on the respective employee's last drawn salary and the years of employment with the Company.

**26 Related Party Transactions:**
**a. List of the transacted Related Parties and description of relationship**

Relationship	Name of the Related party	
	31 March 2019	31 March 2018
Key management personnel	Konda Soujanya Konda Ramakrishna Konda Venkanna Suresh Silumula K Satyanarayana	Konda Laxmaiah Konda Padma V Srishailam T Mohan Vijay Krishna T Hemanth
Enterprises controlled by key management personnel	Ramlaxman Parboiled Rice Pvt Ltd Anjaneya Traders	Ramlaxman Parboiled Rice Pvt Ltd Anjaneya Traders
Relatives of key management personnel	Konda Laxmaiah, Konda Padma	Konda Laxmaiah, Konda Padma

**b. Related party transactions during the year from 01.04.2018 to 31.03.2019**

Transaction	Name of the related party	Year ended 31 March 2019	Year ended 31 March 2018
Loan received	Konda Laxmaiah	24,507,785	12,512,494
Loan repaid	Konda Laxmaiah	20,683,800	13,321,000
Loan received	Ramlaxman Parboiled Rice Pvt Ltd	106,958,825	56,593,778
Loan repaid	Ramlaxman Parboiled Rice Pvt Ltd	51,578,851	85,199,645
Loan received	Anjaneya Traders	3,243,306	1,500,000
Loan repaid	Anjaneya Traders	6,200,000	5,200,000

Note No.	PARTICULARS	Year ended 31 March 2019	Year ended 31 March 2018
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**27 Contingent Liabilities and Commitments**

Outstanding bank guarantee	23,006,273	3,750,000
Appeal pending before income tax appellate tribunal	16,143,100	1,448,450
Appeal pending before AP High court against PF demand	9,047,169.00	9,047,169.00
	<b>48,196,542.00</b>	<b>14,245,619.00</b>

**28 Earnings Per Share**

Profit/(Loss) after tax	<b>39,938,682</b>	<b>6,372,146</b>
The weighted average number of equity shares	47,131,360	47,131,360
Face value per Share	10.00	10.00
Earnings per share - Basic and Diluted	<b>0.85</b>	<b>0.14</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENT.**

- 29 No dues to Micro and Small Enterprises as per the information provided by the management.
- 30 **Segment reporting**  
The Company operates in one reportable segment, hence segment reporting as per Ind AS-108 is not applicable.

**31 Financial Instruments****31.1. Capital Management**

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of equity balance.

The Company determines the amount of capital on the basis of annual master planning and budgeting and five year's corporate plan for working capital, capital outlay and strategic involvements.

**31.2. Financial Instruments****Initial recognition**

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition.

**Subsequent recognition**

Financial liabilities are subsequently carried at amortized cost using effective interest method.

**31.3. Financial Risk Management**

In course of its business, the company is exposed to certain financial risk such as market risk (Including currency risk and other price risks), credit risk and liquidity risk that could have significant influence on the company's business and operational/financial performance. The Board of directors reviews and approves risk management framework and policies for managing these risks and monitor suitable mitigating actions taken by the management to minimize potential adverse effects and achieve greater predictability to earnings.

**31.4. Credit Risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregated value of transactions concluded is spread amongst approved counterparties.

**31.5. Liquidity Risk**

Liquidity risk refers to the risk that the company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as pre requirements. The Company's exposure to liquidity risk is minimal.

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AS PER OUR REPORT OF EVEN DATE

for and on behalf of the Board

for **GMK Associates**

Chartered Accountants

Firm Regn No. 006945S

for **Raasi Refractories Limited**

**M.S. Prakasa Rao**

Partner

M.No. 027278

**S. SURESH**

Director

**K. SATYANARAYANA**

Director

Place: Hyderabad

Date : 30<sup>th</sup> May, 2019

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

Particulars	For the ended 31.03.2019	For the ended 31.03.2018
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit/(Loss) before Extra-ordinary Items &amp; Tax</b>	39,938,682	6,372,146
<u>Adjustments for:</u>		
Depreciation and Amortisation	2,875,251	12,127,032
Impairment of Fixed Assets	-	-
(Profit) / Loss on Sale / Write off of Assets	(24,877,749)	-
Finance Costs	35,101,584	37,391,585
Interest Income	(746,207)	(193,511)
	12,352,879	49,325,107
<b>Operating Profit/(Loss) before Working Capital changes</b>	52,291,561	55,697,253
<u>Changes in Working Capital:</u>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	88,825,553	(64,216,137)
Trade Receivables	(73,678,125)	(58,954,198)
Short Term Loans and Advances	14,485,974	(24,714,284)
Long Term Loans and Advances	-	-
Other Current Assets	40,979,216	-
Foreign Currency Reserve	-	-
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade Payables	(57,470,530)	16,097,854
Other Current Liabilities	(43,627,165)	12,428,785
Other Non-Current Liabilities	(12,020,059)	-
Long Term Provisions	(524,163)	-
	(43,029,298)	(119,357,980)
Cash Generated from Operations	9,262,262	(63,660,727)
<b>Net Cash Flow from / (used in) operating activities (A)</b>	<b>9,262,262</b>	<b>(63,660,727)</b>
<b>B. Cash Flow from Investing Activities</b>		
Capital expenditure on fixed assets including capital advances	(408,900)	(2,052,907)
Proceeds from sale of fixed assets	-	-
Inter-corporate deposits	-	-
(Purchase)/Sale of Investments	-	-
Bank balances not considered cash or cash equivalents		
- Placed	-	-
Interest Received	746,207	337,307
Net Income Tax (paid) / refunds	1,120,980	193,511
<b>Net Cash Flow from / (used in) Investing activities (B)</b>	<b>1,458,287</b>	<b>(1,859,396)</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019 (Contd..)**

Particulars	For the ended 31.03.2019		For the ended 31.03.2018	
<b>C. Cash Flow from Financing Activities</b>				
Proceeds from issue of equity shares	-		-	
Proceeds from long term borrowings	-		-	
Proceeds towards sale of fixed assets	25,020,000		-	
Repayment of long term borrowings	(9,857,725)		(49,023,133)	
Net increase / (decrease) in working capital borrowings	7,970,140		155,732,347	
Finance Costs	(35,101,584)	(11,969,169)	(37,391,585)	69,317,629
<b>Net Cash Flow from / (used in) Financing activities (C)</b>		<b>(11,969,169)</b>		<b>69,317,629</b>
<b>Net Increase / decrease in Cash or Cash Equivalents (A+B+C)</b>		<b>(1,248,620)</b>		<b>3,797,506</b>
Cash and cash equivalents in the beginning of the year		14,187,401		6,384,753
Effect of exchange difference on restatement of foreign currency		-		-
<b>Cash and cash equivalents in the end of the year</b>		<b>12,938,781</b>		<b>10,182,259</b>
<b><u>Reconciliation of cash and cash equivalents with Balance Sheet</u></b>				
Cash and Cash equivalents as per Balance Sheet		12,938,780		17,813,557
(-) Bank balances not considered as cash and cash equivalents		-		-
Net cash and cash equivalents		-		-
(+) Current investments considered as part of cash		-		-
<b>Cash and cash equivalents at the end of the year*</b>		<b>12,938,780</b>		<b>10,182,260</b>
* comprises:				
(a) Cash		128,868		11,079
(b) Balances with Bank		-		-
- In current accounts		4,044,890		11,369
- In EEFC accounts		-		-
- In Deposit accounts		8,765,022		10,159,812
- In earmarked accounts		-		-
		<b>12,938,780</b>		<b>10,182,260</b>

AS PER OUR REPORT OF EVEN DATE

for and on behalf of the Board

 for **GMK Associates**

Chartered Accountants

Firm Regn No. 006945S

 for **Raasi Refractories Limited**
**M.S. Prakasa Rao**

Partner

M.No. 027278

**S. SURESH**

Director

**K. SATYANARAYANA**

Director

Place: Hyderabad

 Date : 30<sup>th</sup> May, 2019

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**RAASI REFRACTORIES LIMITED**

CIN :L26920TG1981PLC003339

Registered Office: 15-145/9, Kodandaram Nagar, Saroomagar,  
Near Sarada Talkies, Hyderabad-500060. Email:marketing@raasi.in

**Form.No.11  
PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration Rules, 2014)]

CIN	L26920TG1981PLC003339
Name of the Company	RAASI REFRACTORIES LIMITED
Registered Office	Registered Office : 15-145/9, Kodandaram Nagar, Saroor Nagar, Hyderabad
Name of the member(s)	
Registered Address	
Email Id	Email : <u>marketing@raasi.in</u>
Folio No	

I/We, being the member(s) of shares of the above named company, hereby appoint

1	Name Address E-mail ID Or failing him	Signature
2	Name Address Email Id Or failing him	Signature
3	Name Address Email Id Or failing him	Signature

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37<sup>th</sup> Annual General Meeting of the Company, to be held on Monday, the 30<sup>th</sup> day of September, 2019 at 10:00 A.M. at the venue Kummara Samkshema Sangam, H NO. 10-1-105, Trimurty Colony, Lingoji Guda, Saroor Nagar, Hyderabad -500 035 and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution	For	Against
<b>Ordinary Business:</b>		
1. To receive, consider and adopt the audited financial statements of the company for the financial year ended 31 <sup>st</sup> March, 2019 together with the reports of the Board of Directors and the Auditors thereon		
2. To appoint a Director in place of Sri Suresh Silumula, who retires by rotation and offers himself for re-appointment.		
3. To appoint of Auditors and fixing their remuneration		

Signed this.....day of.....2019.

Signature of Shareholder: \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

Affix Revenue Stamp
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Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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**RAASI REFRACATORIES LIMITED**

CIN :L26920TG1981PLC003339

Registered Office: 15-145/9, Kodandaram Nagar, Saroornagar,  
Near Sarada Talkies, Hyderabad-500060.

Email:marketing@raasi.in

**Form No.MGT-10**  
**ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING**  
(to be surrendered at the venue of the meeting)

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of Raasi Refractories Limited.

I hereby record my presence at the 37<sup>th</sup> Annual General Meeting of the shareholders of Raasi Refractories Limited on Monday, the 30<sup>th</sup> Day of September, 2019 at 10:00 A.M at the venue Kummara Samkshema Sangam, H NO. 10-1-105, Trimurty Colony, Lingoji Guda, Saroor Nagar, Hyderabad 500 035.

1. Name & registered address of the sole/ first named shareholder	
2. Name (s) of the Joint Shareholder(s), if any	
3. Registered Folio No./DP ID/ Client ID	
4. Number of shares held	

Signature of Shareholder/Proxy/Representative

Subject – E-voting

In terms of the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system to members holding shares as on 20<sup>th</sup> September, 2019 (end of day) being the cut-off date i.e. record date for the purpose of Rule 20(3)(vii) of the Rules fixed for determining voting rights of members, entitled to participate in the e-voting process, through the e-voting platform provided by Central depository Services Limited (CDSL).

The e-voting particulars are set out below:

EVSN (e-voting Sequence Number)	User id	Password
190926007	Please refer notes about e-voting instructions in the Notice.	

The e-voting period commences from 10:00 a.m. on 27<sup>th</sup> September, 2019 and ends on 29<sup>th</sup> September, 2019 by 5:00 p.m. The members of the Company, holding shares either in physical or demat form, as on the cut-off date of 20<sup>th</sup> September, 2019, may cast their vote electronically.

For instructions on e-voting, please read attached Notice of Annual General Meeting. This communication forms an integral part of the Notice for convening the Annual General Meeting of the Company to be held on 30<sup>th</sup> September, 2019.



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**PRINTED MATTER**

**BOOK-POST**

*If undelivered please return to :*

**RAASI REFRACTORIES LIMITED**

15-145/9, Kodandaram Nagar,

Saroonagar,

Near Sarada Talkies,

Hyderabad - 500060. Telangana.