

28th
ANNUAL REPORT
2009 -2010



RAASI REFRACTORIES LIMITED

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

**SHAREHOLDERS'/INVESTORS'
GRIEVANCE COMMITTEE**

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

REMUNERATION COMMITTEE

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

AUDITORS

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

BANKERS

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

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

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

Andhra Bank
Ashok Nagar Branch
Hyderabad – 500 020

Registered Office	6-3-349/20, Alpha Business Centre, IInd Floor, Road No.1, Banjara Hills, Hyderabad-500 034 E-mail: marketing@raasi.in
Factory	Lakshmipuram, Narketpally, Nalgonda District, Andhra Pradesh-508 254
Registrars & Transfer Agent	Aarthi Consultants Private Limited 1-2-285, Domalguda, Hyderabad Tel No. 91-40-2763 8111, 2763 4445 Fax No. 91-40-2763 2184 Website : www.aarthiconsultants.com
Listing	The Hyderabad Stock Exchange, Bombay Stock Exchange Limited
Annual General Meeting	Date : 27th September, 2010 Time : 11.00 A.M. Venue : Bhaskara Auditorium B.M. Birla Science Centre, Adarshnagar, Hyderabad - 500 063.
Book Closure	21st September 2010 to 27th September 2010

CONTENTS	Page No
Notice	3 - 6
Directors' Report	7 - 19
Report on Corporate Governance	20 - 32
Auditors' Report	33 - 36
Balance Sheet	37
Profit and Loss Account	38 - 43
Schedules to Accounts	
Significant Accounting Policies	44
Notes to Accounts	45 - 47
Cash Flow Statements	48 - 49
Balance Sheet Abstract & Business Profile	50

NOTICE

Notice is hereby given that the **Twenty Eighth Annual General Meeting** of the members of Raasi Refractories Limited will be held on Monday, the 27th day of September, 2010 at 11:00 am at Bhaskara Auditorium, B.M. Birla Science Centre, Adarsh Nagar, Hyderabad to transact the following items of business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2010, and the Profit and Loss Account for the Financial Year ended on that date and the reports of the Directors' and Auditors' thereon.
2. To consider the appointment of Sri Sanjay Agarwal who retires by rotation and being eligible offers himself for reappointment.
3. To consider the appointment of Sri Natwar Lath who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

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

“RESOLVED THAT M/S SRB & Associates, Chartered Accountants, Hyderabad, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors of the Company and reimbursement of out-of-pocket and incidental expenses.”

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modifications, the following

resolution as a Special Resolution.

“RESOLVED THAT, pursuant to the provisions of Section 94 of the Companies Act, 1956 and such other provisions of the Act, as may be applicable, the Authorized Share Capital of the Company be increased from Rs. 15,00,00,000 (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten) each to Rs. 25,00,00,000 (Rupees Twenty Five Crores only) divided into 2,50,00,000 (Two Crores Fifty Lakh only) Equity Shares of Rs.10/- (Rupees Ten) each.”

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

“RESOLVED THAT pursuant to the provisions of Section 16 of The Companies Act, 1956, Clause V of Memorandum of Association of the Company be substituted as follows:

Memorandum of Association:

CLAUSE V:

(V) The Authorized Share Capital of the Company is Rs. 25,00,00,000 (Rupees Twenty Five Crores only) divided into 2,50,00,000 (Two Crores Fifty Lakh only) Equity Shares of Rs.10/- each (Rupees Ten only) with rights, privileges and conditions attaching thereto as are provided by the Regulations of the Company, for the time being, with power to increase and reduce the Capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special right, privileges or conditions as may be determined by or in accordance with the regulation of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Regulations of the Company.

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

“RESOLVED THAT pursuant to the provisions of Sections 31 of The Companies Act, 1956, Article 3 of Articles of Association of the Company be substituted as follows:

Articles of Association:-

Article 3 (a):-

The Authorized Capital of the Company is Rs. 25,00,00,000 (Rupees Twenty Five Crores only) divided into 2,50,00,000 (Two Crores Fifty Lakh only) Equity Shares of Rs.10/- (Rupees Ten only) each”.

8. To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT the consent of the members be and is hereby accorded under the provisions of Section 293(1)(d) of the Companies Act, 1956, and such other provision as maybe applicable(including any amendment, modification, variation or re-enactment thereof) to the Board of Directors of the Company to borrow from time to time such sum or sums of money as they may deem necessary for the purpose of the business of the Company, notwithstanding that the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the paid-up share capital of the Company and its free reserves not set apart for any specific purpose; provided that the total amount up to which monies may be borrowed by the Board of Directors and which shall remain outstanding at any given point of time shall not exceed a sum of Rs.100 crores (Rupees Hundred crores only).”

9. To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT the consent of the members be and is hereby accorded under Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company to pledge / mortgage and / or create charge of all or part of immovable and movable properties of the Company; wheresoever situated, present and future, of every nature and kind whatsoever, in favour of Bank(s) or Financial Institution(s) to secure its short term & long terms loans of Rs.100 crores as may be borrowed by the company from time to time, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption cost, charges, expenses and other monies payable by the company to such Bank or Financial Institutions under the Agreement / Loan Agreement / Subscription Agreement / Credit Facility Agreements / Letter of Sanction / Memorandum of terms and conditions, entered into / to be entered into by the Company in respect of the said facilities.”

“RESOLVED FURTHER THAT Board of Directors be and are hereby authorized to finalize with Banks / Financial Institution, the documents for creating mortgage and / or charge and manner of creation of such mortgage and / or charge and extent of operation thereof and to do all acts and deeds as may be required to give effect to the above resolution.”

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

Date: 27-08-2010
Place: Hyderabad

Ashok Kumar Agarwal
Executive Chairman

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and vote instead of him. The Proxy need not be a member of the company. The instrument appointing should however be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. Members holding shares in Dematerialized mode are requested to intimate the changes with respect to their bank details, mandate, nomination, power of attorney, change of address, change in name etc., to their Depository Participant.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the board resolution authorizing their representatives to attend and vote on their behalf in the meeting.
4. Shareholders having multiple folio numbers either in individual names or in joint names of the same order should intimate RTA/DP's so as to enable them to consolidate such folios into one folio.
5. Members are requested to bring their copy of the Annual Report to the meeting.
6. Register of members of the Company and Share Transfer Books will remain closed from 21st September, 2010 to 27th September, 2010 (both days inclusive)
7. Members desiring any information as regards accounts are requested to write to the Company at least seven days before the date of the meeting to enable the management to keep the information ready at the meeting.
8. Members attending the meeting are requested to complete and bring the attendance slips enclosed with the annual report and hand over the same at entrance of the meeting hall, duly signed.

9. **Re-appointment of Directors**

Sri Sanjay Agarwal and Sri Natwar Lath, Directors of the company retire by rotation at the ensuing Annual General Meeting, and being eligible offer themselves for re-appointment.

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

Sri Sanjay Agarwal aged 38 years is a commerce graduate and has vast experience in the business administration and management. He has acquired an expertise in management and promotion of refractory business. He has more than 8 years of experience in iron & steel business.

Sri Natwar Lath aged about 50 years is a Bachelor of Commerce and a fellow member of the Institute Of Chartered Accountants Of India. He also holds diploma in information system audit. He has a vast and rich experience of over 20 years in income tax and audit matters. Sri Natwar Lath is a proprietor of Natwar & Associates, Chartered Accountants. He is a member of Shareholders'/Investors' Grievance Committee, Remuneration Committee & Audit Committee.

EXPLANATORY STATEMENT IN PURSUANT OF SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM NO.5

In light of the increased operations of the company and growing necessity for additional capital, the Directors of your Company propose to enhance the present Authorized Share Capital of the Company from Rs. 15,00,00,000 to Rs.25,00,00,000. The Authorized Share Capital Company after the proposed increase will be Rs.25,00,00,000 divided into 2,50,00,000 Equity Shares of Rs.10/- each.

ITEM NO.6

As the Authorised Share Capital of the company is proposed to be enhanced from Rs. 15,00,00,000/- to Rs.25,00,00,000/-, the approval of Members is required for the alteration of Clause V which is the capital clause of the Memorandum of Association of the company, consequent to the increase in Authorized Share Capital, the Memorandum of Association would require a suitable alteration to reflect the proposed enhancement.

ITEM NO.7

As the authorised capital is proposed to be enhanced from Rs. 15,00,00,000/- to Rs 25,00,00,000/-, the approval of Members is required for the alteration of Article 3 of the Articles of Association of the company, consequent to the increase in Authorized Share Capital, the Articles of Association would require a suitable alteration to reflect the proposed enhancement.

ITEM NO.8

In view of the increase in volume of business and taking into account the requirement of additional funds, your Directors feel that they should obtain consent from the Shareholders to borrow funds up to a limit of Rs.100 crores.

Section 293(1)(d) of the Companies Act, 1956 requires the consent of the members in the General Meeting for authorizing the Board of Directors to borrow monies (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of aggregate of the paid up capital and free reserves.

The Board of Directors of company recommends this resolution for your approval. None of the Directors are interested or concerned in the above resolution.

ITEM NO.9

In view of company's increased operations the board proposes to borrow up to Rs.100 crores from banks & financial institutions and as per the prevalent practice such institutions may insist for creation of charge on the movable & immovable properties of the company.

The provision for section 293 (1) (a) of the company Act, 1956 require a company to obtain the consent of the member at the General Meeting for creation of charge on the movable and immovable properties of the company.

Hence, this resolution is recommended for your approval. None of the Directors is interested in the resolution whether directly or indirectly.

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

Date: 27-08-2010
Place: Hyderabad

Ashok Kumar Agarwal
Executive Chairman

DIRECTORS' REPORT

Dear Members,

Your Directors present the Twenty Eighth Annual Report on the business and operations of the company and the audited statements of the accounts for the year ended 31st March 2010.

1. **FINANCIAL RESULTS AND OPERATIONS:**
The summarized financial results for the year ended 31st March 2010 as compared with the previous year is as under:-

Particulars	(Rs. In lakhs)	
	For the year 2009-10	For the year 2008-09
a. Sales & incentives (excluding excise & sales tax)	3397.08	2957.38
b. Profit before interest, depreciation and taxes	393.90	352.13
c. Interest	263.20	230.02
d. Depreciation	103.45	90.70
e. Profit before tax	27.25	31.41
f. Prior period adjustments (net)	0.00	0.00
g. Provision for taxation		
- Current	8.72	4.10
- Deferred	0	12.07
Provision for Fringe Benefit Tax	0	1.65
h. Net profit/(loss)	18.53	13.59

Your Company has achieved the gross turnover of Rs.3397.08 lakhs as against a turnover of Rs.2957.38 lakhs achieved during the previous financial year, reflecting a growth of 14.87% during the year in terms of value. The Company's export sales increased from Rs73.26 lakhs to Rs.87.74 lakhs during the period under review.

The company has earned a Net Profit of Rs 18.53 lakhs as against Rs. 13.59 lakhs for the

year under consideration registering an increase of 36.35% over the previous year, due to cost effective and quality control measures undertaken by the Company.

2. **MARKETING**

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

3. **INDUSTRY OUTLOOK**

While overall market for refractories is declining, a shift is foreseen towards usage of specialized refractories. Market for silica bricks may be declining. However the import of raw material may continue. With the increasing credibility of Indians in global market, where price realization is relatively better, your company has a good brand image.

4. **DIRECTORS**

At the ensuing Annual General Meeting Sri Sanjay Kumar Agarwal and Sri Natwar Lath, Directors of the Company retire by Rotation and being eligible offers themselves for re-appointment in terms of Section 256 of the Companies Act, 1956.

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

5. **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a. That in the preparation of the accounts for the financial year ended 31st March, 2010; the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b. That the Directors' have selected such accounting policies and applied them consistently and made judgment's and estimates that were reasonable and prudent so as to give a true and fair view of the financial

year and of the profit of the Company for the year under review.

- c. That the Directors have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. That the Director's have prepared the accounts for the financial year ended 31st March, 2010 on a going concern basis.

6. AUDITORS

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

7. FIXED DEPOSITS

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

8. DIVIDENDS

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

9. PARTICULARS OF EMPLOYEES

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

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

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

11. CORPORATE GOVERNANCE

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

12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report has been included in adherence to the Exchange spirit enunciated in the code of corporate governance approved by the Securities and Exchange Board of India. Management presents herein the industry overview, opportunities and threats, initiatives by the Company and its overall strategy for the future. This outlook is based on the assessment of current business environment, which may vary due to the future economic and other developments both in India and abroad.

(A) Industry Structure and Development:

Refractory is a kind of material which is produced from non-metallic minerals. It is a basic material used in the internal lining of industrial furnaces and possess capability to withstand heat and pressure. They are used in steel, aluminum, glass, cement, petrochemicals, non-ferrous metals, thermal power plants and ceramic industries. 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.

The growth of the Indian steel sector is extremely crucial to analyze the future status of Indian refractory makers. The boom in the Indian steel sector may see a boom in yet another industry, that of refractories.

The size of the Indian Refractory industry is estimated at Rs 4,000 crores and it is stated to be growing at 10-12 per cent annually. The Indian refractory comprises over 100 established units, with 11 large, 24 medium and the rest small-scale plants. Currently, the aggregate production capacity of the industry is two million tonnes, with average 60 per cent capacity utilization. About 75 per cent of the refractories produced find application in the steel industry, another 12 per cent in cement, five to six per cent in non-ferrous industry, about three per cent in glass industry and the balance in other industry. The import increased from Rs 983 crores in 2007-08 to Rs 1,441 crore in 2008-09. The exports during the same period increased from Rs 419 crores to Rs 522 crores.

(B) Opportunities and threats**Opportunities in the refractories industry:**

There is a good opportunity for Indian refractory makers to augment their export as China has stopped refund of Value Added Tax (VAT) on refractory exports, which is almost 17 percent. Indian refractories are thus becoming more and more competitive. There is increasing scope for exports. Currently, India exports around 10 percent of its production. But in the existing scenario, this could double in the next three years. It is worth mentioning, that these markets are very particular about the consistency of the quality and their renewed confidence is a signal that assures the quality of Indian products. India is having superior engineering skill, high quality technology and equipment from Germany and Italy, access to superior quality raw materials and all these factors is resulting in superior quality refractory output.

There are opportunities for Refractories in various sectors like monolithic & special products that would dominate the production in future. The best growth opportunities still lie in the less traditional end uses, such as waste-to-energy generation and restaurants. However due to the small size of these markets it has a minimal impact on aggregate refractory demand. Refractory demand from other sectors is rising, apart from steel, demand is rising from sponge iron and cement units too.

Threats in the refractories industry:

One of the major threats the industry is facing is from China which is adversely affecting the exports. China has access to cheap but quality raw materials required in manufacturing of refractories. Even most of the plants get tax benefits as several of them are located in special economic zones. The Indian refractory manufacturers are squeezed between the raw material suppliers and steel makers. The negotiating power of refractories makers is very poor, mainly due to its size, as it is catering to an industry far bigger in size, primarily steel. In general, it can be said that all these improvements have resulted in lowering specific consumption of refractories per tonne of steel.

Another major challenge is marketing and packaging. Indian players must focus on better, competitive and customized or tailor-made products for their clients. India is gaining significant reputation in the international market, mainly Europe and the US. Refractory manufacturers should realize that there is no unique refractory solution in steel production. Different types of steel production require different type of refractories. Moreover, wearing rate of refractory depends on several factors including time of exposure, temperature, degree and fluctuation of temperature. All these need to be kept in mind while supplying refractory for optimal utilization.

Paucity of raw materials is a problem for refractory makers across the globe. With the changes in technology in the steel industry, the major thrust has been on maximizing on the use of the materials and improving technology in each area of operation/process where refractories are being used.

(C) Segment or Product wise Performance:

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

Fire Clay: This is a low alumina refractory product and is manufactured by both small and big refractory plants beside many un-organized units. Hence the market for this product is highly competitive. The price of this product is low and does not require much technology. The company has a good brand image in this segment. During the year under review, this product account nearly 48% the total sales of the company.

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

The company has a good brand image in this segment and has performed well at Integrated Steel Plant last year as a result of which it has received additional orders for the current year and is one of the major suppliers to RINL, JSW, TRL & SAIL Units. The Company has recently developed new products in this range for exports. During the year under review, this product has accounted nearly 20% of the total sales of the company.

Basic: This is a basic refractory product and comprises of Mag Carbon and Magnesite bricks. The company has good performance record in this category. The company has executed order in SAIL Units & RINL and has reasonable chances for improving its market share for this product. During the year under review, this product has accounted nearly 10% of the total sales of the company.

Silica: This is a quartzite based silica refractory product and is highly technology oriented. In India only two major units are into manufacturing this product. The company has stabilized the production process and has successfully executed the order from VSP. This year the company plans to enter into the coke oven sector of silica bricks and also manufacture dense and super dense quality for glass industry. The company is also expecting growth in exports. The company enjoys geographical advantage for procurement of raw material for manufacture of silica bricks. During the year under review, this product has contributed approx 5% of the total sales.

Monolithics: These refractories are well known to produce joint less structure which are stable from dimensional aspect at high temperatures and are resistant to thermal shock and abrasion. It comprises of castables, plastic mass, ramming mix, mortars, slingor mix and coating material. This is an unfired green refractory material. The quality of product ranges from 30 % to 90% alumina which is being used for varied purpose and applications like Sponge Furnace Kiln, Power Plants etc. Silica Ramming Mass for Induction furnace has been recently introduced in this section. During the year under review, this product has contributed approx 17% of the total sales.

(D) Outlook:

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

The Refractory industry is driven by steel industry growth. However, other core sector industry growth too, will be driving refractory demand in future. Usage in industries other than steel - like cement, refractories, petrochemicals, fertilizers, glass and other industries will also drive demand in future. Technological change is also expected to drive demand for certain products.

According to available reports, installed production capacity as on December 2006 was roughly around 20 Lakh tons per annum. Conservatives estimate that it has gone up by around 5 to 10 percent in 2007. Similarly, the production capacity that stood at 10 Lakh tons per annum was estimated to have grown by at least 10 percent in 2007. But it is expected that by 2010, along with the increase in steel production in the country, the demand for refractories will touch 12 Lakh tons annum.

(E) Risks and Concerns:

Being fully reliant on end user industries including steel and aluminum, the Indian refractory industry is currently encompassing the downward cycle. Although this has not effected the growth rate of industry at all, yet it is a matter of great concern. The global economic slow down has effected the local manufacturing sector badly with demand from auto, aviation and railways remains stagnant since the blip of meltdown felt about 12 months ago. Being immune to global industrial development, India's refractory industry has witnessed a dramatic squeeze in margins amidst poor demand from end users and rising raw material prices. Sudden fall in demand is also caused huge inventory pile-ups thereby pressurizing manufacturers to clean up stock piles at price decided by the end-users. The domestic refractory sector is facing severe crunch in quality man power. A major area of concern is availability of adequately qualified and

competent workforce. The Industry is facing countless difficulties both in terms of increasing raw-material and other input costs as well as the availability, further the negotiating power of the refractory makers is poor mainly due to their size as it caters to the industries which are far bigger in sizes like aluminum, steel, cement, etc.

(F) Internal control system and their adequacy:

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

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

Your Company has achieved the gross turnover of Rs.3397.08 lakhs as against a turnover of Rs.2957.38 lakhs achieved during the previous financial year. The Company has earned a Net Profit of Rs.18.53 lakhs as against Rs.13.59 lakhs for the year under consideration registering an increase of 36.35% over the previous year.

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

It is your Company's belief that the competence and commitment of its people are key drivers of competitive advantage enabling the Company to compete successfully in the market place. As at 31st March, 2010 the company has about 246 employees working in its factory and various

offices. Your Company endeavors to strengthen organizational culture in order to attract and retain the best talent and bring out the best in people.

Cautionary Statement:

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

CERTIFICATE

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

ACKNOWLEDGEMENT

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

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

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

Date: 27-08-2010
Place: Hyderabad

Ashok Kumar Agarwal
Executive Chairman

Annexure to the Directors' Report

Information as required under section 217(1) (e) of the Companies Act, 1956 forming a part of Directors' Report.

Form A

(See Rule – 2)

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

A Power and Fuel consumption	2009-10	2008-09
1 Electricity		
a) Purchased		
i) Unit(kwh)	1616542	1526647
ii) Total Amount (Rs.)	6663033	6224324
iii) Rate/unit (Rs.)	4.12	4.08
b) Own Generation		
I) Through diesel generator		
i) Unit(kwh)	225360	108108
ii) Units per ltr.of diesel oil.	2.82	2.73
iii) Cost / unit (Rs.)	12.76	13.16
II) Through steam turbine/generator	Not Applicable	
i) Units		
ii) Units per ltr.of fuel oil/gas		
iii) Cost/Units		
2 Coal (specify quality and where used)		
	'C' Round grade coal used in gas producer plant and also in down draft kilns.	
i) Quantity (M.tonnes)	4848	3906
ii) Total Cost (Rs.)	17020633	16401370
iii) Average rate (Rs.)	3511	4199
3 Furnace oil		
i) Quantity (ltrs.)	6635	9800
ii) Total Amount (Rs.)	166466	347060
iii) Average Rate (Rs.)	25.09	35.41
4 Others / internal generation	Not Applicable	
i) Quantity		
ii) Total Cost (Rs.)		
iii) Rate/Unit(Rs.)		
B Consumption per unit of production		
	Standards	
Products- Refractory all types (in M.T.)	2009-10	2008-09
Electricity (Units)	15520	13594
Furnace oil in ltrs	118.67	112.30
Coal – C grade in KGs	0.42	0.72
Others (Specify)	312	287
	NA	NA

Form B
(See rule 2)

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

- | | |
|---|--|
| 1. Specific areas in which R&D carried by the Company | The Company has made a tie-up with Tata Refractories Limited. for Technical and Marketing support. All the superior quality of fireclay and high alumina bricks have been developed with their collaboration. Now, we are making all types of sophisticated material as being made at Tata Refractories Limited. |
| 2. Benefits derived as a result of the R & D | With this arrangement the Company is getting order from Alluminium, Steel and Cement Industries regularly. |
| 3. Future Plan of action | R&D work for techno-economic raw material composition, continuous up gradation of processes and development of new products as per market demand. The company is mainly concentrating on development of alumina bricks and monithics for Cement, Steel and Alluminium Industries. The Company has also upgraded its existing laboratory facilities to achieve improved results in respect of supply of its products. |
| 4. Expenditure on R & D | Approximately an amount of Rs 9 lakhs has been incurred during the year 2009-2010 for development of products as stated above. |

Technology Absorption, Adaptation and Innovations:

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

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

- (a) Technology imported.
- (b) Year of import.
- (c) Has technology been fully absorbed? Not Applicable
- (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.

Foreign Exchange Earnings and Outgo:

(a) Activities relating to Exports.

The company is participating in global tenders in various countries and have obtained the orders from various companies.

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

The products of the Company are well accepted by the foreign buyers. The Company has exported to the extent of Rs.87.74 Lakhs in the financial year 2009-2010. The company is taking initiatives to increase exports and develop new export markets for its products and services.

b) Total Foreign Exchange used and earned		2009-10	2008-09
I Earnings:			
Export of finished goods	USD \$	192000.00	143181.40
	INR Rs.	8774400.00	7000899.00
	EURO •	0	38105.00
	INR Rs.	0	1868288.00
II Outgo:			
Import of raw materials	USD \$	80166.17	0
	INR Rs.	4069638.00	0
Import of Machinery	EURO •	0	0
	INR Rs.	0	0
Bank charges	USD \$	544.00	75.00
	INR Rs.	26097.00	3677.00
Commission on Sales	USD \$	9818.00	0
	INR Rs.	578149.00	0
Foreign Travel	USD \$	0	8600.00
	INR Rs.	0	339714.00



RAASI REFRATORIES LIMITED

COMPLIANCE CERTIFICATE

Company Number: 003339

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

To

The Members

RAASI REFRATORIES LIMITED

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

Road No. 1, Banjara Hills,

Hyderabad - 500 034.

I have examined the registers, records, books and papers of M/s. RAASI REFRATORIES LIMITED, HYDERABAD (the "company") as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010 (i.e. from 1st April, 2009 to 31st March, 2010). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, or any other authorities within the prescribed under the Act and the rules made there under.
3. The company being a Public Limited Company comments relating to
 - (a) Maximum number of members excluding its present and past employees,
 - (b) Subscription of its shares and debentures by the public and
 - (c) Invitation and acceptance of deposits from persons other than its members, directors or their relatives are not applicable.
4. The Board of Director duly met 7 times on 30.04.2009,31.07.2009,12.08.2009, 17.08.2009, 31.10.2009, 02.12.2009 and 30.01.2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company closed its Register of Members or Debenture holders from 18th September 2009 to 24th September 2009 and necessary compliance of section 154 of the Act has been made, during the year.
6. The annual general meeting for the financial year ended on 31st March 2009 was held on 24th September, 2009 after giving due notice to the members of the company and other concerned and the resolutions passed thereat were duly recorded in the Minutes Book maintained by the company.
7. No Extra Ordinary general meeting was held during the financial year under review.

8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the preview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 (3) of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company was not required to obtain any approvals from the Board of directors, members and central government.
12. The Board of Directors has approved the issue of 4(four only) duplicate share certificates during the year under review.
13. The company has:
 - (i) Delivered all the certificates on allotment of securities and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - (ii) The Company has not deposited any amount in a Separate Bank Account as no dividend was declared during the financial Year.
 - (iii) The Company was not required to post warrants to any member(s) of the Company as no dividend was declared during the Financial Year.
 - (iv) Matters relating to transfer to the unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued there on etc. are not applicable.
 - (v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the company is duly constituted and Mr.Ashok Kumar Agarwal & Mr. R.C. Biswas was appointment as additional directors of the company and the appointment was in accordance with the articles.
15. The company has appointed Mr. Ashok Kumar Agarwal as Executive-Chairman of the company & Mr. R.C. Biswas as Director-operations during the financial year under review and complied with the provisions of the Act.
16. The company has not appointed any sole-selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued Equity Shares, debentures / other securities during the financial year under review.

20. The company has not made any buy back of shares during the financial year.
21. There being no Preference Share Capital in the Company there was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The amount borrowed by the company from financial institutions, banks during the financial year ended 31st March 2010, is within borrowing limits of the company. The excess of borrowing over paid up capital and free reserves includes temporary loans obtained from the company's bankers in the ordinary course of business.
25. The company has made loans and investments or given guarantee or provided securities to other bodies corporate in compliance with the provisions of the Act.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under review.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under review.
28. The company has not altered the provisions of the memorandum with respect to name of the Company during the year under review.
29. The company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under review.
30. The company has not altered the provisions of its articles of association with respect to the share capital of the company during the year under review.
31. There was no prosecution initiated against or show cause notices received by the company for alleged offences under the Act and also the fines and penalties or any other punishment imposed on the company during the financial year.
32. The company has not received any money as security from its employees during the financial year.
33. The company has not constituted Provident Fund for its employees and as such, section 418 of the Act is not applicable to the company.

PLACE: HYDERABAD

For BPK & Associates

DATE: 27-08-2010

B.Pavan Kumar
C.PNO.4774

ANNEXURE - I

Registers to be maintained by the Company under the provisions of the Companies Act, 1956

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

Annexure - II

(1) Forms and returns as filed by the Company with the Registrar of Companies, Andhra Pradesh, Hyderabad during the financial year ending 31st March, 2010.

Sl. No.	Form No/ Return	Filed u/s	Description	Date of filing	Filed within prescribed time or not Yes/No	Whether additional fee paid for delay
1.	Form - 17	Sec - 138	Particulars of satisfaction of charges	01-05-2009	Yes	No
2.	Form - 17	Sec - 138	Particulars of satisfaction of charges	01-05-2009	Yes	No
3.	Form - 17	Sec - 138	Particulars of satisfaction of charges	01-05-2009	Yes	No
4.	Form - 32	Sec - 264 303,266 (1)a 266(1)b	Appointment of Sri Ashok Kumar Agarwal as a Whole-times Director	23-10-2009	No	Yes
5.	Form - 32	Sec - 264 303,266 (1)a 266(1)b	Appointment of Sri R. C. Biswas as a Whole-times Director	23-10-2009	No	Yes
6.	Form - 8	Sec - 125,127 130,132, 135	Creation and modification of charges	17-02-2010	Yes	No
7.	Form - 23 B	Sec - 224 (1A)	Information by auditor to registrar	13-10-2009	Yes	No
8.	Form - 23	Sec - 192	Registration of resolution and agreements	23-10-2009	Yes	No
9.	Form - 25 C	Sec - 269(2), SCH-XIII	Appointment of Sri Ashok Kumar Agarwal as a Whole - time Director	23-10-2009	Yes	No
10.	Form - 23 C	Sec - 269(2), SCH-XIII	Appointment of Sri R.C. Biswas as a Whole - time Director	23-10-2009	Yes	No
11.	Form - 66	Sec - 383A	Compliance Certificate for the financial year ended 31-03-2009	20-10-2009	Yes	No
12.	Form - 23AC	Sec - 220	Annual Accounts laid and adopted by members in Annual General Meeting held on 24-09-2009	21-10-2009	Yes	No
13.	Form - 23AC	Sec - 220	Annual Accounts laid and adopted by members in Annual General Meeting held on 24-09-2009	21-10-2009	Yes	No
14.	Form - SCH-V	Sec - 158 & 160	Annual return laid and adopted by member in Annual General Meeting held on 24-09-2009	23-10-2009	Yes	No

2) Forms and Returns filed with Regional Director, Company Law Board, Central Government and other authorities during the year 2009-2010

- a) A petition has been filed with Company Law Board under Section 621A of the Companies Act, 1956 for non-compliance with the provisions of the Section 297 of the said Act vide Form No. 61 on 4th January, 2010.

REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of listing agreement with stock exchanges)

1. A brief statement on Company's Philosophy on Code of Corporate Governance

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

The goal is achieved through:

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

2. Board of Directors

2.1 Composition of the Board

The company meets the requirement as is stipulated under clause 49 of the listing agreement, as the Chairman of the Board is an executive chairman and the number of independent directors is half of the total number of directors. The number of non- executive directors is more than 50% of the total number of directors.

None of the directors on the board is a member of more than 10 committees and chairman of more than 5 committees across all the companies in which he is a director.

The composition of the Board is as under:

The Board of Raasi Refractories limited is headed by Sri Ashok Kumar Agarwal, who is the Executive-Chairman of Raasi Refractories Limited. He is currently the Managing Director of Sarvesh Refractory Limited.

Sri Pramod Kumar Agarwal aged 34 years, is an Independent and Non-Executive Director of Raasi Refractories Limited. He has a rich experience in management and administration. He is a graduate in commerce and has a good exposure in the area of refractory and steel industry.

Sri Kirit D.Sanghvi aged about 60 years, is an Independent & Non-Executive Director of Raasi Refractories Limited. He is involved in international business and his exposure to refractory market in India and aboard is very wide.

Sri Sanjay Agarwal aged about 38 years, is a Promoter & Non-Executive Director of Raasi Refractories Limited. He has acquired an expertise in management and promotion of refractory business.

Sri Natwar Lath aged about 50 years, is an Independent & Non- Executive Director of Raasi Refractories Limited. He is a Bachelor of Commerce and a fellow member of the Institute Of Chartered Accountants Of India. He also holds diploma in information system audit. He has a vast and rich experience of over 20

years in income tax and audit matters. Sri Natwar Lath is a proprietor of Natwar & Associates, Chartered Accountants. He is a member of Shareholders'/Investors' Grievance Committee, Remuneration Committee & Audit Committee.

Sri Muralidhar Agarwal aged about 51 years is an Independent & Non-Executive Director of Raasi Refractories Limited. He is a director on the board of M/S Sree Metaliks Limited, Hind Metals & Industries Private Limited and Thanwas Commercial Private Limited.

Sri Mahesh Kumar Agarwal aged about 45 years, is a Promoter & Non-Executive Director of Raasi Refractories Limited. He is a Managing Director of M/S Sree Metaliks Limited, Hind Metals & Industries Private Limited, Rourkela Minerals Company Pvt. Ltd, Iceberg Aqua Private Limited and Thanwas Commercial Private Limited.

Sri R.C. Biswas aged about 64 years, is a Non-Independent & Executive Director of Raasi Refractories Limited. He has been associated with companies like Rourkela Steel Plant, Kesoram Refractories Ltd., and Sarvesh Refractories Private Limited.

Other information regarding the Board is given below:

Name of the director	Category	No. of other Directorships and Committee Memberships / Chairmanships		
		Other Directorships	Committee Memberships	Committee Chairmanships
Sri Ashok Kumar Agarwal	Promoter & Executive - Chairman	9	Nil	Nil
Sri Sanjay Agarwal	Promoter & Non-Executive	5	1	Nil
Sri Muralidhar Agarwal	Independent & Non-Executive	4	3	3
Sri Mahesh Kumar Agarwal	Promoter & Non-Executive	5	Nil	Nil
Sri Natwar Lath	Independent & Non-Executive	2	1	Nil
Sri R.C. Biswas	Non- Independent & Executive	Nil	Nil	Nil
Sri Pramod Kumar Agarwal	Independent & Non-Executive	4	1	Nil
Sri Kirit D. Sanghvi	Independent & Non-Executive	3	1	Nil

2.2 Meetings and attendance

During the year 2009-2010, seven Board Meetings were held. Attendance record of the Directors in the meetings is as under:

Name of the director	Board meeting held on	No of board meetings attended	Attended last AGM held on September 24th, 2009
Sri Ashok Kumar Agarwal	30/04/2009	7	Yes
Sri Sanjay Agarwal	31/07/2009	7	No
Sri Muralidhar Agarwal	12/08/2009	7	No
Sri Mahesh Kumar Agarwal	17/08/2009	6	No
Sri Natwar Lath	31/10/2009	7	Yes
Sri R.C. Biswas	02/12/2009	7	Yes
Sri Pramod Kumar Agarwal	30/01/2010	7	No
Sri Kirit D. Sanghvi		6	No

3. Audit committee

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

Powers of Audit Committee

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

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

The board of directors has constituted the audit committee at their meeting held on 20th October 2000. The committee was subsequently re-structured and presently comprised of 3 Non-Executive Directors' viz., Sri Muralidhar Agarwal, Sri Natwar Lath and Sri Pramod Kumar Agarwal. Sri Muralidhar Agarwal is the Chairman of the Committee.

During the year 2009-2010, four meetings of the committee were held. The composition and attendance in the committee is as under:

Name of the Director	Position held in the company	Committee meetings held on	No. of committee meetings attended
Sri Muralidhar Agarwal	Chairman of the Committee	30/04/2009 30/07/2009	4
Sri Natwar Lath	Member	30/10/2009	3
Sri Pramod Kumar Agarwal	Member	30/01/2010	4

4. Remuneration committee

Purpose

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

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

Details of remuneration/sitting fees paid to the Directors for the year ended 2009-10 are given below.

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

5. Shareholders' / Investors' Grievance committee
During the year 2009-2010, six meetings of the Committee were held.

Shareholders'/Investors' Grievance Committee for the year ended 31st March 2010
 During the year 2009-10 the Shareholders/Investors Grievance Committee met 6 times on 30th June 2009, 15th July 2009, 30th November 2009, 31st December 2009, 27th February 2010, and 31st March 2010.

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

Name of the director	Position held in the committee	No. of committee meetings attended during 2009-10
Sri. Muralidhar Agarwal	Chairman	6
Sri. Natwar Lath	Member	5
Sri. Sanjay Agarwal	Member	5

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

The company did not receive any complaints/requests (other than request for transfer and demat) during the year under review. There were no outstanding complaints as on 31st March 2010. All the valid requests for transfer of shares were considered for transfer. There were no share transfers pending as on 31.03.2010.

6. Chief Executive Officer (CEO) and CFO Certification

A Certificate from Sri Ashok Kumar Agarwal, the Executive Chairman of the Company, and Sri Sistla Subrahmanya Sastry, Chief Financial Officer of the Company on the Financial Statements and Cash Flow statements for the year under review, was placed before the Board of Directors at their meeting held on 27-08-2010

7. General Body Meetings

Location & Time of Last 3 Annual General Meetings:

Year	Venue	Date and Time	Special Resolution passed and relevant section of the Companies Act, 1956
2008-2009	Bhaskara Auditorium B.M. Birla Science Centre, Adarsh Nagar Hyderabad - 500 063.	24-09-2009 at 11.00 A.M.	1.Appointment of Shri Ashok Kumar Agarwal as the Executive Chairman of the Company (Section 198, 269 and 309 read with Schedule XIII) 2. Appointment of Shri R. C. Biswas as the Director-Operations of the Company (Section 198, 269 and 309 read with Schedule XIII) and fix their remuneration.
2007-2008	Bhaskara Auditorium B.M. Birla Science Centre, Adarsh Nagar Hyderabad - 500 063.	25-09-2008 at 11.00 A.M.	None
2006-2007	Bhaskara Auditorium B.M. Birla Science Centre, Adarsh Nagar Hyderabad - 500 063.	27-09-2007 at 11.00 A.M.	1. Appointment of Shri Ashok Kumar Agarwal as the Executive Chairman of the Company (Section 198, 269 and 309 read with Schedule XIII) 2. Appointment of Shri R. C. Biswas as the Director-Operations of the Company (Section 198, 269 and 309 read with Schedule XIII)

8. Postal Ballot

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

9. Disclosures:

During the year 2009-2010, the company had no materially significant related transactions which are considered to have a potential conflict with the interest of the company at large. The disclosures as regard to related party transactions are disclosed in the notes to accounts. None of the transactions with any of the related parties were in conflict with the interests of the company.

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

10. Means of Communication

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

11. Management Discussion and Analysis Report:

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

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

The Board has set up a remuneration committee details whereof are furnished at Sr. No. 2 of this report.

12.2 Shareholder rights

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

12.3 Audit qualifications

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

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

13. General Shareholders Information

a. 28th Annual General Meeting

Date and time : Monday, the 27th September, 2010 at 11.00 AM
 Venue : B.M Birla Science Centre, Adarsh Nagar,
 Hyderabad-500 063

As required under Clause 49VI(A) of the listing agreement, particulars of Directors seeking appointment and reappointment are given in the notes to the notice of the Annual General Meeting to be held on 27th day of September 2010.

b. Financial calendar (tentative)

Financial year : 1st April to 31st March
 First quarter : August 2010
 Second quarter and half yearly results : November 2010
 Third quarter results : February 2011
 Last quarter results/ audited results : May 2011/ May 2011

c. Dates of Books Closure : 21st September 2010 to 27th September 2010

d. Dividend Payment Date : Not applicable

e. Listing on Stock Exchanges

The Company's securities are listed on : The Hyderabad Stock Exchange Limited
 (stock code- RRL)
 Bombay Stock Exchange Limited
 (stock code- 502271)

f. ISIN Numbers in NSDL & CDSL for Equity shares

: INE858D01017

g. Listing Fee

: The Company has paid its annual listing fees to each of the above stock exchanges for the financial year 2009-10.

h. Market Price Data

: High/Low price quotation in each month of the last financial year 2009-10 on the Bombay Stock Exchange Limited is given below. There is no trading in the Hyderabad Stock Exchange, hence no quotation for the year 2009-10.

Month	High (Rs.)	Low (Rs.)
April 2009	19.25	13.80
May 2009	19.25	13.40
June 2009	13.65	10.46
July 2009	10.60	9.03
August 2009	12.80	9.70
September 2009	17.00	9.90
October 2009	17.50	13.60
November 2009	13.89	11.30
December 2009	13.23	11.00
January 2010	15.22	11.50
February 2010	15.00	11.50
March 2010	16.30	12.15

Source: www.bseindia.com

i. Registrars and Transfers Agents (RTA)
Aarhi Consultants (P) Ltd.

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

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

j. Share Transfer System

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

k. Distribution of shareholding as on 31st March 2010.

S.No.	Category	No. of Cases	% of Cases	Shares	Amount Rs.	% of Amount
1.	1 ---- 5000	5772	95.59	534432	5344320.00	11.34
2.	5001 ---- 10000	124	2.05	99877	998770.00	2.12
3.	10001 ---- 20000	62	1.03	94253	942530.00	2.00
4.	20001 ---- 30000	23	0.38	57674	576740.00	1.22
5.	30001 ---- 40000	12	0.20	42433	424330.00	0.90
6.	40001 ---- 50000	10	0.17	48250	482500.00	1.03
7.	50001 ---- 100000	14	0.23	96737	967370.00	2.05
8.	100001 & Above	21	0.35	3739480	37394800.00	79.34
	TOTAL	6038	100.00	4713136	47131360.00	100.00

Shareholding Pattern as on 31st March, 2010

Category	No. of Shares held	Percentage of Shareholding
Promoters holding		
1. Promoters		
Indian Promoters	2387220	50.65
Foreign Promoters	—	—
2. Persons acting in concert	—	—
Sub-Total	2387220	50.65
Non- Promoters Holding		
3. Institutional Investors	—	—
a. Mutual funds and UTI	—	—
b. Banks, Financial Institutions, Insurance Companies(Central/ State Gov. Institutions/Non-Government Institutions)	169647	3.60
c. FI'S	—	—
Sub -Total	169647	3.60
4. Others		
a. Private Corporate Bodies	1036211	21.99
b. Indian Public	1111372	23.58
c. NRIs/OCBs	8344	0.18
d. Any other-Trust	—	—
e. Clearing Members	342	0.01
Sub -Total	2156269	45.75
Grand Total	4713136	100

I. De-materialization of shares and liquidity

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

m. Outstanding ADRs/GDRs/ Warrants or any convertible Instruments, conversion date and likely impact on equity

Not applicable

n. Plant Locations

The Company's plant is located at:
Lakshmipuram, Narketpally, Nalgonda District,
Andhra Pradesh - 508 254



RAASI REFRATORIES LIMITED

o. Address for Correspondence

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

p. Investor Correspondence

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

* For Shares in Demat form
To the Depository Participant

For and on behalf of the Board
For RAASI REFRATORIES LIMITED

Date:27-08-2010
Place: Hyderabad

Ashok Kumar Agarwal
Executive Chairman

R. C. Biswas
Director-Operations

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

To
The Members of Raasi Refractories Limited

I, Ashok Kumar Agarwal, Executive Chairman of Raasi Refractories Limited declare that to the best of my knowledge and belief, all the Members of the Board and Senior Management personnel of the Company have affirmed their respective compliance with the applicable Code of Conduct for the Year ended 31st March, 2010.

for Raasi Refractories Limited

Place: Hyderabad
Date:27-08-2010

Ashok Kumar Agarwal
Executive Chairman



RAASI REFRATORIES LIMITED

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

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

1. We have reviewed the Balance Sheet and Profit and Loss Account and all its schedules and notes on accounts as well as the Cash Flow Statements for the year ended March 31, 2010.
2. Based on our knowledge and information,
 - (I) these statements do not contain any materially untrue statement or omit any material fact or contain any statement in the light of the circumstances under which the statement were made, not misleading with respect to the statements made.
 - (ii) these statements together present a true and fair view of the company's affairs, the financial conditions, results of operations and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
4. We accept the responsibility for establishing and maintaining internal controls for financial reporting for the company and we have:
 - (i) designed such disclosure controls and procedures to ensure that material information relating to the company, during the period in which this report is being prepared.
 - (ii) designed such internal control system over financial reporting, or caused such internal control over financial reporting and the preparation of the financial statements for external purposes in accordance with the General Accepted Accounting Principles.
 - (iii) evaluated the effectiveness of the Company's disclosure, controls and procedures.
5. We have indicated to the Company's auditors and the Audit committee of the Company that during the year:
 - (I) there are no significant changes in internal control over financial reporting;
 - (ii) there are no significant changes in accounting policies; and
 - (iii) there are no instances of significant fraud of which they have been aware, whether or not material that involves management or other employees having significant role in the company's internal control system over financial reporting.
6. We affirm that we have not denied any personnel, access to the audit committee of the company and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.

Date: 27-08-2010
Place: Hyderabad

Ashok Kumar Agarwal
Executive Chairman

Sistla Subrahmanya Sastry
Chief Financial Officer

AUDITORS REPORT ON CORPORATE GOVERNANCE

To The Members of Raasi Refractories Limited

We have examined the compliance of Corporate Governance by Raasi Refractories Limited for the year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

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

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

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

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

For SRB & ASSOCIATES
Chartered Accountants

T. LAKSHMINARAYANA
Partner
Membership No. 14674

Date: 27-08-2010
Place: Hyderabad

AUDITORS REPORT:

To
The Members of
RAASI REFRATORIES LIMITED
HYDERABAD

1. We have audited the attached Balance Sheet of RAASI REFRATORIES LIMITED as at 31st March 2010 and the related Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our

knowledge and belief were necessary for the purposes of our audit;

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
- (e) On the basis of written representations received from the directors, as on 31st March 2010, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached there to give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (ii) in the case of the Profit & Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For SRB & ASSOCIATES
Chartered Accountants

T. LAKSHMINARAYANA
Partner
Membership No. 14674

Date: 27-08-2010
Place: Hyderabad

ANNEXURE TO AUDITOR'S REPORT

(Referred to in paragraph 3 of the Auditors' Report of even date to the members of RAASI REFRACTORIES LIMITED on the financial statement for the year ended 31st March, 2010)

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets are physically verified by the management according to a phased programme designed to cover all the fixed assets once a year, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed.
- (c) In our opinion and according to the information and explanations given to us, no substantial part of fixed assets has been disposed off by the Company during the year.
2. (a) The inventory has been physically verified by the management during the year-end. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material.
3. According to information and explanation given to us:
 - (a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (b) The company has taken the following unsecured loans from companies covered in the register maintained under section 301 of the Companies Act .1956 .
 - (i) Unsecured loan taken from M/s Sarvesh Refractories Ltd. in the earlier years with interest @1% per annum and the outstanding balance as on the Balance Sheet date is Rs 407.06 lakhs as against the outstanding balance of Rs. 403.43 lakhs at the end of previous year.
 - (ii) Unsecured interest free loan taken from M/s Sarvesh Refractory Ltd during the previous year Rs. 100.00 lakhs for investment purpose is outstanding as on the Balance Sheet date.
4. In our opinion and according to the information and explanation given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
5. (a) In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.

- (b) In our opinion and according to the information and explanation given to us, there are no transactions made in pursuance of such contracts or arrangements and exceeding Rs. five lakhs in respect of any party during the year, which have been made at prices which are not reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. According to information and explanation given to us the Central Government has not prescribed maintenance of cost records for the company as required under Section 209 (1) (d) of the Companies Act, 1956.
9. (a) According to the information and explanations given to us and records of the company examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues in respect of income tax, sales tax, customs duty, excise duty, cess with the appropriate authorities.
- (b) The following undisputed statutory liabilities are outstanding for more than 6 months as on the balance sheet date.
Service Tax - Rs. 15,17,745.00
- (c) According to the information and explanations given to us the following statutory dues are disputed and have not been paid.
- (i) Income tax of Rs.59,72,805/- for the year F.Y 2005-06, Demand made by Dy Commissioner of Income Tax and the appeal pending before The Commissioner of Income Tax(Appeals) –IV, Hyderabad.
- (ii) Sales Tax of Rs. 24,99,538 for the year 2004-05, Demand made by The Asst. Commissioner (CT), Nalgonda and on appeal by the company The Appellate Deputy Commissioner (CT), Hyderabad, Rural Division has remanded back the appeal to The Asst. Commissioner (CT), Nalgonda for revision.
10. The company has no accumulated losses as at 31st March, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. As per the information and explanations given to us and the records verified by us, no repayments of principal or interest have been made in case of the following financial institutions:

Particulars	Principal amount Rs.	Interest Rs.	Period due from
Term loan from NIA	2,57,812	4,34,922	01.04.1999
Term loan from UIIC	2,51,625	4,22,928	01.04.1999

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

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

For **SRB & ASSOCIATES**
Chartered Accountants

Date: 27-08-2010
Place: Hyderabad

T. Lakshminarayana
Partner
Membership No.14674:

Balance Sheet as on 31st March 2010

Particulars	Schedule	AS AT March 31,2010 Rs.	AS AT March 31,2009 Rs.
I Sources of Funds			
1 Shareholders' Funds			
Share Capital	A	47,131,360	47,131,360
Reserves and Surplus	B	25,920,995	24,214,437
2 Loan Funds			
Secured Loans	C	118,733,237	117,777,228
Unsecured Loans	D	50,705,989	50,342,903
3 Deferred Tax Liability		9,575,804	9,575,804
Total		252,067,385	249,041,732
II Application of funds			
1 Fixed Assets			
Gross Block	E	215,658,526	214,479,754
Less: Depreciation		110,492,266	100,146,893
Net Block		105,166,260	114,332,861
Capital Work in progress		17,472,215	294,418
		122,638,475	114,627,279
2 Investment(Unquoted, at Cost)		9,845,000	9,845,000
3 Current Assets, Loans & advances			
Inventories	F	81,279,797	74,134,422
Sundry Debtors	G	59,312,018	75,690,777
Cash and Bank Balances	H	19,008,030	11,904,534
Loans and Advances	I	24,033,127	18,601,874
		183,632,972	180,331,607
Less: Current Liabilities & Provisions			
Liabilities	J	55,893,827	48,147,247
Provisions	K	8,155,235	7,624,785
Net Current Assets		119,583,910	124,559,575
4 Miscellaneous Expenditure to the extent not written off	L	-	9,878
Total		252,067,385	249,041,732

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

For SRB & ASSOCIATES
Chartered Accountants

for and on Behalf of the Board
for Raasi Refractories Limited

T.Lakshminarayana
Partner
Membership No. 14674

Ashok Kumar Agarwal
Executive Chairman

R.C. Biswas
Director-Operations

Place:Hyderabad
Date : 27-08-2010

Profit and Loss Account for the year ended 31st March 2010

Particulars	Schedule	AS AT March 31,2010 Rs.	AS AT March 31,2009 Rs.
I INCOME			
(a) Sales	M	37,87,60,712	34,31,31,880
(b) Other Income	N	22,52,212	67,22,444
(c) Increase/(Decrease) in value of Stock	O	38,77,795	(45,00,026)
Total		38,48,90,719	34,53,54,298
II EXPENDITURE			
(a) Raw materials consumed		22,55,57,139	18,28,81,254
(b) Stores & Spares consumed		1,00,14,022	41,46,154
(c) Power & Fuel	P	2,67,21,336	2,43,95,690
(d) Other Manufacturing Expenses		1,07,53,453	87,50,674
(e) Employees Remuneration & Benefits	Q	2,03,16,227	2,15,12,566
(f) Repairs and Maintenance	R	35,48,230	41,40,220
(g) Administrative and Other Expenses	S	89,59,965	1,69,19,887
(h) Excise Duty		2,81,73,557	3,70,85,678
(i) Sales Tax		1,14,56,221	1,03,08,784
Total		34,55,00,150	31,01,40,908
III Profit before interest, depreciation and taxes		3,93,90,569	3,52,13,390
Interest & Financial Expenses	T	2,63,20,491	2,30,02,418
Depreciation	E	1,03,45,371	90,69,869
IV Profit/(Loss) before Tax		27,24,707	31,41,103
Prior period adjustment (Exp)		-	-
Tax Expenses:			
Current Tax		8,71,910	4,10,000
Deffered Tax		-	1,207,290
Provision for FBT		-	1,65,000
V Net profit/(Loss)		18,52,797	13,58,813
Brought forward profit/(loss)		57,83,994	66,50,721
Tax Short Provision for earlier Year		(146,239)	(2,225,539)
VI Profit/(Loss) carried to balance sheet		74,90,552	57,83,994

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

For SRB & ASSOCIATES
Chartered Accountants

for and on Behalf of the Board
for Raasi Refractories Limited

T.Lakshminarayana
Partner
Membership No. 14674

Ashok Kumar Agarwal
Executive Chairman

R.C. Biswas
Director-Operations

Place:Hyderabad
Date : 27-08-2010

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Particulars	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
Schedule A		
Share Capital		
Authorised		
1,50,00,000 Equity Shares of Rs. 10/- each	150,000,000	150,000,000
	150,000,000	150,000,000
Issued, Subscribed & Paid-up		
47,13,136 (PY 47,13,136) Equity Shares of Rs. 10/- each	47,131,360	47,131,360
	47,131,360	47,131,360
Schedule B		
Reserves & Surplus		
Central Subsidy	1,500,000	1,500,000
Forfeiture of shares	30,443	30,443
Share Premium	16,900,000	16,900,000
Profit & Loss Account	7,490,552	5,783,994
Total	25,920,995	24,214,437
Schedule C		
Secured Loans		
Term Loans		
General Insurance Corporation of India (GIC)	-	343,750
The New India Assurance Company Limited (NIA)	257,813	257,813
United India Insurance Company Limited (UIIC)	251,625	251,625
TERM LOANS FROM BANKS		
SBBJ	4,097,984	6,108,122
SBI	7,993,349	13,312,465
Interest Accrued & Due	857,850	1,315,882
Cash Credit From Banks	105,274,616	96,187,571
Total	118,733,237	117,777,228
Schedule D		
Unsecured Loans		
From Body Corporate	50,705,989	50,342,903
Total	50,705,989	50,342,903

SCHEDULE 'E' FIXED ASSETS		GROSS BLOCK			DEPRECIATION			NET BLOCK		
		AS AT 31/03/09	ADDITIONS ADJUST DURING THE YEAR	DEDUC./ ADJUST DURING THE YEAR	TOTAL UPTO 31/03/10	UPTO 31/03/09	FOR THE YEAR	TOTAL UPTO 31/03/10	AS AT 31/03/10	AS AT 31/03/09
SL. NO.	DESCRIPTION	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1	LAND & SITE DEVELOPMENT	24,44,792	-	-	24,44,792	-	-	-	24,44,792	24,44,792
2	BUILDINGS FACTORY	1,83,14,968	-	-	1,83,14,968	17,50,316	6,11,720	23,62,036	1,59,52,932	1,65,64,852
3	BUILDINGS OTHERS	2,01,74,265	3,83,417	-	2,05,57,682	36,19,513	3,29,271	39,48,784	1,66,08,898	1,65,54,753
4	PLANT & MACHINERY	15,78,04,262	3,95,553	-	15,81,99,815	8,90,52,612	83,34,908	9,73,87,520	6,08,12,295	6,87,51,650
5	FURNITURE & FIXTURES	21,44,625	84,262	-	22,28,887	11,75,245	2,20,017	13,95,262	8,33,625	9,69,380
6	OFFICE EQUIPMENT	14,51,540	2,69,580	-	17,21,120	9,23,497	1,33,366	10,56,863	6,64,257	5,28,043
7	LAB EQUIPMENT	88,08,978	45,960	-	88,54,938	20,50,581	4,66,284	25,16,865	63,38,073	67,58,397
8	WATER SYSTEMS	8,53,179	-	-	8,53,179	1,93,417	13,907	2,07,324	6,45,855	6,59,762
9	VEHICLES	24,83,145	-	-	24,83,145	13,81,714	2,35,899	16,17,613	8,65,532	11,01,431
	SUB TOTAL	21,44,79,754	11,78,772	-	21,56,58,526	10,01,46,894	1,03,45,371	11,04,92,266	10,51,66,260	11,43,32,861
10	CAPITAL WORK-IN-PROGRESS	2,94,418	1,71,77,797	-	1,74,72,215	-	-	-	1,74,72,215	2,94,418
	TOTAL	21,47,74,172	1,83,56,569	-	23,31,30,741	10,01,46,894	1,03,45,371	11,04,92,266	12,26,38,475	11,46,27,279
	FIGURES FOR PREV. YEAR	20,45,14,391	4,30,72,614	32,812,833	21,47,74,172	9,10,77,024	90,69,869	10,01,46,893	11,46,27,279	11,34,37,367

Schedule F
Inventories

Finished Goods	11,475,879	6,495,604
Work-in-progress	11,962,113	13,064,593
Raw Materials	51,191,598	42,441,252
Stores & Spares	5,075,333	4,618,102
Coal	1,435,077	1,106,112
Furnace Oil	139,797	54,263
Stock in Transit	-	6,354,496
Total	<u>81,279,797</u>	<u>74,134,422</u>

Schedule G
Sundry Debtors (Unsecured, Considered good, Net)

Debts outstanding for a period exceeding 6 months	3,815,414	7,007,396
Others	55,496,604	68,683,381
Total	<u>59,312,018</u>	<u>75,690,777</u>

Schedule H
Cash & Bank balances

Cash & Stamps on hand	1,534,962	906,955
Balance in current accounts	1,153,676	2,313,793
Balance with Scheduled Banks in Margin money accounts	16,319,392	8,683,786
Total	<u>19,008,030</u>	<u>11,904,534</u>

Schedule I
**Other current assets, loans & advances
(Unsecured & Considered good)**

Trade advances	7,526,918	7,526,918
Claims receivable	884,077	539,841
Income Tax paid (TDS)	296,463	234,749
Advances to Sales Tax	969,634	1,835,321
Deposit with Central Excise	5,684,880	-
Advances to Staff	1,129,515	1,076,942
Earnest Money Deposit	1,564,651	1,321,651
Prepaid Expenses	31,350	3,750
Other Advances & Deposits	5,945,639	6,062,702
Total	<u>24,033,127</u>	<u>18,601,874</u>

Schedule J
Current Liabilities

(Including Liabilities for Capital Works)

Liabilities

Sundry Creditors(Net)

Total outstanding dues to SSI undertakings	-	73,537
Total outstanding dues to creditors other than SSI	49,590,447	32,317,988
Other Liabilities	3,550,445	12,916,406
Statutory Liabilities	2,752,935	2,839,316
Total	<u>55,893,827</u>	<u>48,147,247</u>

Schedule K
Provisions

Provision for gratuity	6,433,791	6,189,974
Provision for Income Tax	1,721,444	1,434,811
Total	<u>8,155,235</u>	<u>7,624,785</u>

Schedule L
Miscellaneous Expenditure to the extent not written off

Deferred Revenue Expenses		
Software package	-	9,878
Total	<u>-</u>	<u>9,878</u>

Schedule M
Sales

Export Sales	8,774,400	7,326,554
Domestic Sales	368,711,192	334,244,990
Self Consumption	1,275,120	1,560,336
Total	<u>378,760,712</u>	<u>343,131,880</u>

Schedule N
Other Income

Interest received	715,304	477,986
Sale of Scrap	1,096,341	3,330,327
Gain /(Loss) on Forex Rate	86,057	1,132,017
Other Misc Income	354,510	1,782,114
Total	<u>2,252,212</u>	<u>6,722,444</u>

Schedule O
Increase/(Decrease) in value of stock
Work-in-progress

Opening Stock	13,064,593	11,836,964
Closing Stock	11,962,113	13,064,593
	<u>(1,102,480)</u>	<u>1,227,629</u>

Finished Goods

Opening Stock	6,495,604	12,223,259
Closing Stock	11,475,879	6,495,604
	<u>4,980,275</u>	<u>(5,727,655)</u>
Increase/(Decrease) in value of stock	<u>3,877,795</u>	<u>(4,500,026)</u>

Schedule P
Power & Fuel

Power	9,534,237	7,647,260
Fuel	17,187,099	16,748,430
Total	<u>26,721,336</u>	<u>24,395,690</u>

Schedule Q
Employees Remuneration & Benefits

Salaries & Wages	15,019,237	16,455,518
Other Benefits	4,716,649	4,572,047
Gratuity	580,341	485,001
Total	<u>20,316,227</u>	<u>21,512,566</u>

Schedule R
Repairs & Maintenance

Vehicles	534,398	516,187
Plant & Machinery	2,638,835	3,302,896
Others	374,997	321,137
Total	<u>3,548,230</u>	<u>4,140,220</u>

Schedule S
Administrative & Other Expenses

Rent Rates & Taxes	1,051,378	1,632,759
Printing & Stationery	205,329	199,391
Postage, Telegrams & Telephones	684,870	562,346
Directors Travelling expenses	280,233	218,757
Travelling Expenses Staff	1,165,229	1,081,997
Directors Remuneration	470,400	470,400
Insurance	299,746	289,170
Administrative Expenses	1,558,388	1,543,089
Statutory Audit Fee	150,000	150,000
Donations	15,000	-
Selling & Marketing Expenses	2,308,725	10,399,485
Legal & Professional Charges	758,468	362,615
Deferred Revenue Expenses w/off	12,199	9,878
Total	<u>8,959,965</u>	<u>16,919,887</u>

Schedule T
Interest & Financial Expenses

Interest on Term Loans	2,695,544	3,237,544
Interest on OCC & Other Financial Charges	23,624,947	19,764,874
Total	<u>26,320,491</u>	<u>23,002,418</u>

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

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

Fixed Assets:

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

Depreciation:

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

Inventories:

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

Revenue Recognition:

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

Sale of goods:

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

Interest:

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

Dividend:

Revenue is recognized when the shareholders' right to receive payment is established by the Balance Sheet date.

Retirement Benefits:

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

Taxes on Income:

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

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

The term loans are secured on the immovable properties of the company situated at village Narketpally, Dist. Nalgonda in Andhra Pradesh including the company's movable plant and machinery, machinery spares, tools and accessories and other movables, both present and future (save and except book debts and inventory which are charged against working capital facilities sanctioned by the banks) by Deed Hypothecation and also secured by a joint mortgage by way of deposit of title deeds in respect of the immovable properties of the company in favour of State Bank of India, Commercial Branch, NIA and UIIC. The term loans the aforesaid institutions rank pari-passu among themselves.

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

Further, working capital facilities extended by aforesaid banks are secured by mortgage/ charge on the fixed assets of the company on "second charge basis" subservient to charge already created in favour of the financial institutions for the term loans availed from them.

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

2. Particulars of Remuneration paid to Directors

	2009-10	2008-09
Salary	4,20,000	4,20,000
Provident Fund	50,400	50,400
Total	4,70,400	4,70,400

3. Payment to Auditors

	2009-10	2008-09
Statutory Audit Fee	1,35,000	1,35,000
Tax Audit Fee/Certification	15,000	15,000
Total	1,50,000	1,50,000

4. Quantity Details (in M/t)			2009-10	2008-09
Licenced Capacity p.a.			30,000	30,000
Installed Capacity p.a.			27,000	27,000
Finished Production			15,520	13,594
Opening Stock			787	1,613
Closing Stock			1,125	787
5. Sales		Quantity M/t		(Rs)
	2009-10	2008-09	2009-10	2008-09
	Qty.	Qty.	Value	Value
Export	400	355	87,74,400	73,26,554
Domestic	15046	13852	36,87,11,192	33,42,44,990
Internal Consumption	136	213	12,75,120	15,60,336
6. Raw Material Consumption				
	2009-10	2008-09	2009-10	2008-09
	Qty.	Qty.	Value	Value
Cal. Bauxite	862	1268	1,29,40,600	1,20,78,488
Grog	3050	5195	81,51,271	1,37,08,840
Others	—	—	20,44,65,268	15,70,93,926
Total			<u>22,55,57,139</u>	<u>18,28,81,254</u>
7. Value of Raw Materials, Stores and Spares consumed				
	2009-10	2008-09	2009-10	2008-09
Raw Material	Qty.%	Qty.%	Value	Value
Imported	1.91	0.00	42,61,193	0
Indigenous	98.09	100.00	22,12,95,946	18,28,81,254
Stores Indigenous	100.00	100.00	1,00,14,022	41,46,154
8. Value of Imports on CIF basis.			2009-10	2008-09
Raw Materials			39,30,415	0
Machinery			0	0
9. Expenditure in Foreign Currency				
Bank Charges			26,097	3,677
Commission on sales			5,78,149	0
10. Earning in Foreign Exchange				
Export of goods on FOB Basis			80,62,560	64,05,498
Export guarantee Recovered			0	18,68,288
11. Contingent Liabilities				
a) Claims against Company under appeal not provided for				
Income Tax for asst. year 2006- 07			59,72,805	64,07,674
Sales Tax for the year 2004 - 05			14,99,538	14,99,538
b) Outstanding Bank Guarantee			3,18,19,702	83,80,339
12. Segment reporting as defined in Accounting Standard 17 (AS-17) as not applicable since the entire operation of the company relates to only one segment viz., refractories.				

13. Details of Investment Unquoted, At Cost, Equity :

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

14. Related Party Disclosures

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

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

B. Transaction during the year	2009-10	2008-09
(i) Sale of finished goods/raw materials/services (net of discounts) Associate Companies	Rs. 2,68,71,749	Rs. 1,87,01,294
(ii) Interest paid/ provided for Associate company	Rs. 4,03,429	Rs. 4,00,333
(iii) Advances Given to Associate Company	Rs. 0	Rs. 0
(iv) Advance from Associate Companies	Rs. 0	Rs. 20,00,000
(v) Purchase of Goods/Service from Associate Companies	Rs.23,65,84,741	Rs. 15,00,11,605
(vi) Purchase of Share of Associates Companies	Rs. 0	Rs. 16,45,000
(vii) Outstanding Balances as at the year end :		
(a) Debtors/Receivables	Rs. 30,61,93,918	Rs. 13,59,62,666
(b) Creditors/Payable	Rs. 46,80,68,899	Rs. 27,23,70,482
(c) Un Secured Loan taken	Rs. 5,07,05,989	Rs. 5,03,42,903

15. The amount of Rs. 12,75,120/- shown against self consumption sales in schedule M pertains to consumption of refractory material towards maintenance of R. C.Kiln.
16. The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" have been ascertained to the extend such parties are identifiable from the information available with company and the outstanding to such units for more than 30 days as on 31.03.2010 are nill.
17. The management of the company considers all the receivables and advances as good and recoverable and no provision is made.
18. Amounts shown under sundry debtors, creditors, loans and advances and some Financial Institutions and Banks are subject to confirmation/ reconciliation.
19. Previous figures have been re-grouped/re-arranged wherever necessary.

For SRB & ASSOCIATES

Chartered Accountants

T.Lakshminarayana

Partner

Membership No. 14674

Place:Hyderabad

Date : 27-08-2010

for Raasi Refractories Limited

Ashok Kumar Agarwal

Executive Chairman

R.C. Biswas

Director-Operations

CASH FLOW STATEMENT FOR THE YEAR 2009-10

(Rs. In Lakhs)

	2009-2010	2008-2009
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	27.25	31.41
ADJUSTMENT FOR:		
Depreciation	103.45	90.70
Interest Expenses	263.20	230.02
Deferred Revenue expenditure written off	0.12	0.10
Provision for Gratuity	5.80	4.85
Unclaimed balance credited back	-	-
Interest income	(7.15)	(4.78)
Operating Profit before working capital changes	<u>392.68</u>	<u>352.30</u>
Adjustment for Movement in working capital		
(increase)/Decrease in Sundry Debtors	163.79	19.82
(increase)/Decrease in Other current Assets, Loans and Advances	(54.31)	3.75
(increase)/Decrease in Inventories	(71.45)	36.34
increase/(Decrease) in Current Liabilities	76.97	111.97
Cash generated from Operation	<u>507.67</u>	<u>524.18</u>
Prior period Adjustment	-	-
Income Taxes/ Fringe Benefit Tax	(10.18)	(28.01)
Net Cash flow from Operating Activities	<u>497.48</u>	<u>496.17</u>
B CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES		
Purchase of Fixed Assets	(183.57)	(102.60)
Investment in Shares	-	(98.45)
Interest Received	7.15	4.78
Net Cash used in Investing Activities	<u>(176.41)</u>	<u>(196.27)</u>

CASH FLOW STATEMENT FOR THE YEAR 2009-10

(Rs. In Lakhs)

	2009-2010	2008-2009
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	-	12.11
Increase/(Decrease) in Cash Credits	90.87	(19.58)
Proceeds/(repayments) of Short term Borrowings	(4.61)	(2.31)
Increase/(Decrease) of Long term Borrowings	(73.10)	(19.91)
(Increase)/Decrease in Fixed Deposit with Bank	(76.36)	(24.12)
Interest Paid	(263.20)	(230.02)
Net Cash from Financing Activities	<u>(326.40)</u>	<u>(283.83)</u>
Net Increase/Decrease in Cash and Cash equivalents	(5.33)	16.07
Cash and Cash Equivalents as at 1st April (Opening Balance)	32.21	16.14
Cash and Cash Equivalents as at 31st March (Closing Balance)	26.88	32.21

As per our report of even date
For SRB & ASSOCIATES
 Chartered Accountants

for and on Behalf of the Board
for Raasi Refractories Limited

T.Lakshminarayana
 Partner
 Membership No. 14674

Ashok Kumar Agarwal
 Executive Chairman

R.C. Biswas
 Director-Operations

Place:Hyderabad
 Date : 27-08-2010

CERTIFICATE

We have examined the attached Cash Flow Statement of Raasi Refractories Limited for the period ended 31st March, 2010. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of Listing Agreement with Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 27.08.2010 to the members of the Company.

Date: 27-08-2010
 Place: Hyderabad

For **SRB & ASSOCIATES**
 Chartered Accountants

T. Lakshminarayana
 Partner
 Membership No. 14674



RAASI REFRACTORIES LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS AT 31ST MARCH, 2010

I. REGISTRATION DETAILS :

State Code: 01

Registration No. **3339**
Balance Sheet Date **31st MARCH 2010**
Date Month Year

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

Public Issue NIL Rights Issue NIL
Bonus Issue NIL

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

Total Liabilities Rs. 252067 Total Assets Rs.252067

Source of Funds :

Paid-up Capital Rs. 47131 Secured Loans Rs.118733
Reserve & Surplus Rs. 25921 Unsecured Loans Rs. 50706

Application of Funds:

Net Fixed Assets Rs.122638 Net Current Assets Rs.119584
Investments Rs. 9845 Differed Tax +(-) Rs. (9576)
Accumulated Losses Rs. NIL

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

Turnover Rs. 384891 Profit/ (Loss) Before Tax Rs. 2725
Total Expenditure Rs. 382166 Profit/ (Loss) After Tax Rs. 1853
Earnings per Share Rs. 0.39

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

Item Code No. (ITC CODE)

Product Description

69022002
69021001
69021004

BRICKS AND SHAPES - HIGH ALUMINA
MAGNESITE BRICKS & SHAPES
BRICKS AND SHAPES - MAGNESIA CARBON

for and on behalf of the Board
for Raasi Refractories Limited

R. C. Biswas
Director Operations



RAASI REFRATORIES LIMITED

RAASI REFRATORIES LIMITED

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

ATTENDANCE SLIP

TWENTY EIGHTH ANNUAL GENERAL MEETING OF THE COMPANY

Dp.Id*

Folio No.....

Client Id*

No.of Shares.....

I hereby record my presence at the TWENTY EIGHTH ANNUAL GENERAL MEETING of the Company being held on Monday, the 27th September, 2010 at 11.00 A M at Bhaskara Auditorium, B M Birla Science Centre, Adarshnagar, Hyderabad – 500 063.

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

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

Member's / Proxy Signature

Note: 1. A Member / Proxy attending the meeting must complete this Attendance Slip and hand it over at the entrance.

2. Member intending to appoint a Proxy, should complete the Proxy Form and deposit it at the Company's Registered Office not later than 48 hours before the commencement of the Meeting.

* Applicable for investors holding shares in Electronic Form.



RAASI REFRATORIES LIMITED

RAASI REFRATORIES LIMITED

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

PROXY FORM

Dp.Id*

Folio No.....

Client Id*

No.of Shares.....

I/We _____ being a Member / Members of RAASI REFRATORIES LIMITED,
hereby appoint _____ of _____ or failing him _____ of
_____ as my/our Proxy to attend and vote for me/us and on my/our behalf at the TWENTY EIGHTH
ANNUAL GENERAL MEETING of the Company held on Monday, the 27th September, 2010 at 11.00 A M at
Bhaskara Auditorium, B M Birla Science Centre, Adarshnagar, Hyderabad - 500 063 and at any adjournment
thereof.

Signed this _____ day of _____ 2010

Name : _____

Address _____

Affix
1 Rupee
Revenue
Stamp

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

* Applicable for investors holding shares in Electronic form.

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If undelivered please return to:

RAASI REFRACTORIES LIMITED

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