

54th
Annual Report
2012-2013



New Administrative Building... a Green Building

TRL KROSAKI

Always Satisfying...



Dr. A. K. Chattopadhyay, Mr. H. M. Nerurkar & Mr. Y. Hamamoto
Addressing Officers at Belpahar



Inauguration of Taphole Clay Plant by **Mr. Yasuo Hamamoto**,
President and CEO, Krosaki Harima Corporation, Japan

Contents

Board of Directors	2
Notice	3
Highlights	7
Directors' Report	8
Management Discussion and Analysis	19
Corporate Governance Report	23
Auditors' Report	32
Annexure to the Auditors' Report	34
Balance Sheet	36
Statement of Profit & Loss	37
Cash Flow Statement	38
Accounting Policies	49
Auditors' Report on Consolidated Financial Statements	57
Consolidated Balance Sheet	58
Consolidated Profit & Loss	59
Consolidated Cash Flow	60
Principles of Consolidation	68
Accounting Policies	69

The Annual General Meeting will be held on Saturday, 21st September, 2013 at our Registered Office, Belpahar at 1.00 p.m.
 As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting.
 Shareholders are requested to kindly bring their copies to the meeting.
 visit us at : www.trlkrosaki.com, E-mail : arabinda@trlkrosaki.com, Tel : +91 6645 258417

Board of Directors

(As on 8th May 2013)

Mr. H. M. Nerurkar (*Chairman*)
Mr. V. S. N. Murty
Mr. Kotaro Kuroda
Mr. Hiroshi Odawara
Mr. Kinji Matsushita
Mr. Kiyotaka Oshikawa
Mr. Rakesh Kulshreshtha
Mr. Prem Shankar Shrivastava
Mr. Sudhansu Pathak
Mr. Akira Tsuneoka
Dr. A. K. Chattopadhyay (*Managing Director*)

Senior Executives

Mr. C. S. Das *Executive Vice President & CFO*
Mr. P. B. Panda *Executive Vice President & COO*

Senior Company Secretary

Mr. Arabinda Debta

REGISTERED OFFICE

Belpahar - 768218
Dist. Jharsuguda (Odisha)
Phone No. : 06645-258417
Fax : 06645-250254

BANKERS

Central Bank of India
State Bank of India
HDFC Bank Limited
Mizuho Bank Limited
HSBC Limited

AUDITORS

M/s N.M. Raiji & Co.
Chartered Accountants
Mumbai

Notice

THE FIFTY FOURTH ANNUAL GENERAL MEETING OF TRL KROSAKI REFRACTORIES LIMITED will be held at its Registered Office at Belpahar, Dist: Jharsuguda, Odisha – 768218 on Saturday, the 21st September, 2013, at 1.00 p.m., to transact the following business:

- (1) To receive and adopt the Audited statement of Profit and Loss for the financial year ended March 31, 2013, and the Balance Sheet as at that date together with Report of the Board of Directors and the Auditors thereon.
- (2) To declare dividend.
- (3) To appoint a Director in place of Mr. Hiroshi Odawara, who retires by rotation and is eligible for re-appointment.
- (4) To appoint a Director in place of Mr. Kotaro Kuroda, who retires by rotation and is eligible for re-appointment.
- (5) To appoint a Director in place of Mr. Kinji Matsushita, who retires by rotation and is eligible for re-appointment.
- (6) To appoint Auditors and fix their remuneration.
- (7) To appoint a Director in place of Mr.P.S.Shrivastava, who was appointed an Additional Director of the Company by the Board of Directors with effect from 26th October 2012, under Section 260 of the Companies Act, 1956 (the Act) and who holds office upto the conclusion of the forthcoming Annual General Meeting but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director under the provision of Section 257 of the Act.
- (8) Re-appointment of Dr.A.K.Chattopadhyay as Managing Director.

To consider and, if thought fit, to pass with or without modification(s), the following resolutions as a Special Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, and other applicable provisions, if any, of the companies Act, 1956 (the act) as amended or re-enacted from time to time, read with schedule XIII of the Act, the Company hereby approves of the re-appointment and terms of remuneration of Dr. A. K. Chattopadhyay, Managing Director of the Company for the period from 10th May, 2013, to 9th May, 2015, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting, including the remuneration to be paid in the even of loss or in adequacy of profits in any financial year, with liberty to the Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board of Directors (“the Board”) and Dr. A. K. Chattopadhyay.

FURTHER RESOLVED THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

Notes

- (a) The relative Explanatory Statements, pursuant to Section 173 of the Companies Act, 1956, in respect of the business under item Nos- 7 and 8 above are annexed hereto. The relevant details of directors seeking appointment/ re-appointment under Item nos. 3 to 5 and 8 above, are also annexed.
- (b) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF; THE PROXY NEED NOT BE A MEMBER.** Proxies, in order to be effective, must be received at the company registered office not less than 48 hours before the meeting.
- (c) Pursuant to Section 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (the Fund) set up by the Government of India and no payments shall be made in respect of any such claims by the Fund. Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2006 onwards, are requested to make their claims to the Company accordingly, without any delay.

By Order of the Board of Directors

(A. Debta)

Senior Company Secretary

Belpahar, 12th August, 2013

Annexure to Notice

As required by Section 173 of the Companies Act, 1956 (hereinafter referred to as "the Act") the following Explanatory Statement set out all material facts relating to the business mentioned under item Nos. 7 and 8 of the accompanying Notice dated 12th August, 2013

1. **Item No. (7)** : Steel Authority of India Limited vide their letter dated 13th September, 2012 has nominated Mr. P. S. Shrivastava, ED, Chairman's Secretariat, SAIL as Director on the Board of Directors of TRL Krosaki Refractories Limited. Accordingly, the Board appointed Mr.P.S.Shrivastava as Additional Director of the Company with effect from 26th October, 2012.

In terms of Section 260 of the Act and Article 155 of the Company's Articles of Association, Mr. P. S. Shrivastava hold office as Director only till the date of the forthcoming Annual General Meeting, but is eligible for re-appointment. As required by Section 257 of the Companies Act, 1956, notice has been received, together with the requisite deposit, from a member proposing the candidature of Mr.P.S.Shrivastava to the office of Director liable to retire by rotation.

Mr. P. S. Shrivastava, 58, ED, Chairman's Secretariat, SAIL, is B. Tech in Mechanical Engineering from IT, BHU and PG Diploma in Materials Management from IIMM, Bombay. He joined SAIL in 1977. During his 36 years of service in SAIL, he has worked in different capacities in Material Management, Inputs & Logistics Management and Production Planning & Control of the Integrated Steel Plant.

The Board considers it desirable for the Company to continue to avail itself of his valuable services as his association would be beneficial to the Company and accordingly commends the resolution for approval of the Members.

Except Mr.P.S.Shrivastava, no other Director is interested or concerned in the resolution.

2. **Item No. (8)** : Dr.A.K.Chattopadhyay was re-appointed as Managing Director for a period of three years from 10th May, 2010 by the Members at the 51st Annual General Meeting of the Company held on July 24, 2010. Accordingly, his tenure of appointment was upto May 09, 2013. The Board of Directors of the Company, at their meeting held on May 08, 2013, has re-appointed Dr. A. K. Chattopadhyay as Managing Director of the Company for a further period of 2 (two) years with effect from 10th May, 2013 till 9th May, 2015, subject to the approval of the Shareholders.

Dr. A. K. Chattopadhyay is an M.Tech in Chemical, specialized in Ceramic Technology and has done his Ph.D from Calcutta University. He was Sr. Vice President & Chief Executive (Refractories Business) of ACC Refractories (a division of ACC Limited) prior to his appointment in the Company. Dr. Chattopadhyay has over 35 years of experience, encompassing all facets of management i.e. manufacturing of refractories, developing and implementing business strategy, productivity enhancement, financial management, restructuring etc. In view of his wide range of knowledge and experience, the Board considers that the re-appointment of Dr. Chattopadhyay would be beneficial to the Company.

The main terms and conditions relating to the re-appointment of Dr. Chattopadhyay as Managing Director are as follows.

- (i) Period:

From 10th May, 2013 till 9th May, 2015.

- (ii) Nature of Duties:

The Managing Director shall carry out such duties as may be entrusted to him, subject to the supervision and control of the Board of Directors and he shall perform such other duties and services as shall from time to time be entrusted to him by the Board of Directors.

- (iii) A. Remuneration:

Salary : Upto a maximum of ₹ 5,00,000/- per month, with annual increments effective from 1st April, every year, as may be decided by Board which expression shall include a Committee thereof, based on merit and taking into account the Company's performance for the year. The benefits, perquisites & allowances will be determined by the Board from time to time. Commission or Performance linked remuneration will be based on certain performance criteria to be prescribed by the Board.

- B. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year the Company has no profits or inadequate profits, the Company will pay remuneration for a period not exceeding three years by way of salary, performance linked remuneration, perquisites and allowances as specified above, subject to compliance with the provisions of Companies Act, 1956.

- (iv) Summary termination of Employment:

The employment of the Managing Director may be terminated by the Company without notice or payment in lieu of notice:

- (a) if the Managing Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or
 - (b) in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by the Managing Director of any of the stipulations contained in the Agreement; or
 - (c) in the event the Board expresses its loss of confidence in the Managing Director.
- (v) The terms and conditions of the said appointment may be altered and varied from time to time by the Board which expression shall include a Committee thereof as it may, in its discretion, deem fit, within the maximum amount payable to Managing Director in accordance with Schedule XIII to the Companies Act, 1956, or any amendments made hereinafter in this regard.
- (vi) Dr. Chattopadhyay shall be allowed leave as per rules of the Company. Leave accumulated and not availed of during his tenure as Managing Director shall be allowed to be encashed at the end of his tenure as per rules of the Company.
- (vii) Dr. Chattopadhyay shall be entitled to gratuity and Company's contribution to Provident Fund and Superannuation Fund in accordance with the Rules and Regulations of the Company.
- (viii) Dr. Chattopadhyay shall not be entitled to sitting fees for attending meetings of Board or any Committee thereof.
- (ix) If at any time Managing Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director.
- (x) If at any time Managing Director ceases to be Managing Director of the Company for any cause whatsoever, he shall cease to be a Director of the Company.
- (xi) If at any time Managing Director ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be a Director of the Company.
- (xii) The Managing Director is appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283(1)(l) of the Act, but the Managing Director is not liable to retire by rotation. The Company had earlier sent to the Members an Abstract of the terms of the appointment of Dr. A. K. Chattopadhyay and Memorandum of Interest under Section 302 of the Companies Act, 1956. The draft copy of the Agreement to be entered between the Company and Dr. A. K. Chattopadhyay is available for inspection by the Members of the Company at its registered office on any working day during working hours of the Company.

The Board recommends the resolution at item no. 8 for your approval.

Dr. A. K. Chattopadhyay is concerned or interested in the resolution as it relates to his appointment and remuneration payable to him. No other Director is in any way, concerned or interested in the resolution.

By Order of the Board of Directors

(A. Debta)

Senior Company Secretary

Belpahar, 12th August, 2013

**Details of the Directors seeking Appointment /
Re-appointment in forthcoming Annual General Meeting**

Name of Director	Mr. Hiroshi Odawara	Mr. Kotaro Kuroda	Mr. Kinji Matsushita	Mr.P. S. Shrivastava	Dr. A. K. Chattopadhyay
Date of Birth	10.08.1953	21.07.1956	24.01.1957	18.02.1955	17.12.1952
Date of Appointment	31.05.2011	31.05.2011	31.05.2011	26.10.2012	10.05.2013
Expertise in specific functional areas	Sales and Marketing	Research & Development	Manufacturing plant management and technical service.	Mechanical Engineering	Manufacturing of refractories, developing and implementing business strategy
Qualifications	Bachelor of Economics from Nagasaki University, Japan	B.Sc and M.Sc. from Kyushu University, Japan	Mechanical Engineering from Waseda University, Japan	B.Tech (Mechanical Engineering), IT, BHU and PG. Diploma (Materials Management), IIMM, Bombay	M.Tech & Ph.D from Calcutta University
Directorship held in other public Companies (excluding foreign Companies)	NIL	NIL	NIL	NIL	NIL
Membership / Chairmanship of Committees of other public Companies (includes only Audit Committees and Shareholders' / Investors' Grievance Committee)	NIL	NIL	NIL	NIL	NIL
Shareholdings in the Company	NIL	NIL	NIL	NIL	NIL

Highlights

(₹ Crores)

	2012-13	2011-12	2010-11	2009-10	2008-09
Turnover	928.89	964.04	926.87	867.17	735.82
Profit Before Interest, Depreciation & Taxes	56.86	79.10	100.06	91.56	91.87
Depreciation	24.82	23.66	21.46	20.98	20.89
Profit before Taxes	9.66	34.76	66.33	59.68	53.90
Profit after Taxes	6.92	24.54	42.69	38.47	34.44
Retained Earnings	29.29	39.70	25.77	46.04	43.10
Shareholders' Funds	272.96	268.48	252.45	248.14	223.08
Borrowings	201.60	158.77	113.09	110.38	115.72
Dividends	2.45	8.50	38.38	13.41	12.23
Shareholders' Funds - per Share (₹)	131	128	121	119	107
Dividend - (%)	10	35	158	55	50
Employees - (Numbers)	1270	1292	1337	1406	1423

DIRECTORS' REPORT

The Directors have pleasure in presenting the 54th Annual Report and Audited Statements of Accounts for the financial year ended March 31, 2013.

Financial Results

Sl. No.	Item	₹ Crores	Previous Year ₹ Crores
1	Profit before finance cost, depreciation, employees separation compensation and Taxes	57.15	78.09
2	Less : Finance Cost	22.38	19.44
	Less : Depreciation	24.81	23.66
	Less : Employees Separation Compensation	0.30	0.23
3	Profit before Taxes	9.66	34.76
4	Provision for Income Tax :		
	Current	(6.16)	(11.27)
	Deferred	3.42	1.06
	Taxation for earlier year	—	(0.01)
5	Profit after Taxes	6.92	24.54

Dividend

Your Directors are pleased to recommend a dividend of ₹ 1.00 per share, i.e. 10% for the year ended March 31, 2013, for approval by the shareholders at the forthcoming Annual General Meeting.

Performance

For the second year in succession, the performance of the company was deeply impacted by the ill effect of domestic as well as global economic slowdown. The company suffered a negative growth with a turnover of ₹ 929 Crores against ₹ 964 Crores of the previous year. The consolidated revenue which includes revenue of TRL China Limited were ₹ 1,074 Crores compare to ₹ 1,088 Crores for the previous year.

The gross production during the year was 2,03,339 t. against 2,22,309 t. of the previous year; a decline of around 8.50%. The sales volume was 2,62,844 t. against 2,99,013 t. of the previous year; a decline of around 12%. Lower order booking due to lower demand and

fierce competition in the market laid to lower capacity utilization.

Lower capacity utilization leading to under absorption of overhead expenses, coupled with depressed refractories prices and exorbitant increase in price of furnace oil and electricity made the profit before taxes dropping to ₹ 9.66 Crores against ₹ 35 Crores of the previous year; a decrease of 72%. The profit after tax was ₹ 7.47 Crores against 24 Crores of previous year; a decrease of 69%.

International Business

The export turnover of the company for the year was ₹ 177 Crores against ₹ 147 Crores of the previous year. The consolidated international business was ₹ 218 Crores against ₹ 190 Crores of the previous year. During the year under review, the company successfully completed construction of Cokeoven battery No.1 of Esfahan Steel Company, Iran, which was the first refractories engineering and management contract undertaken by the company in a foreign country. This

has boosted the confidence of the company to undertake similar jobs in foreign countries.

During the year, the Company has received CAPEXIL'S TOP Export Award for the year 2011-12.

New Projects

Last year, the company had signed technical know-how agreements with Krosaki Harima Corporation, Japan, for manufacturing of Taphole Clay and improved Flow Control Products (FCP). During the year, construction of Taphole Clay plant has been completed and trial production is under progress. Commercial production will be started after the product quality is stabilized. Construction of FCP plant is in advance stage of completion and expected to be completed during third quarter of the current financial year.

TRL China Limited

Performance of TRL China, a subsidiary of the company has started improving with the joint efforts of Krosaki Harima (Shanghai) Enterprise Management Company Limited, a subsidiary of Krosaki Harima Corporation, Japan and R&D team of TRL China. During the year under review performance of MgO-C bricks of TRL China supplied to various customers surpassed performance of all competitors. This has enabled the company to secure large volume orders from Tata Steel Limited and

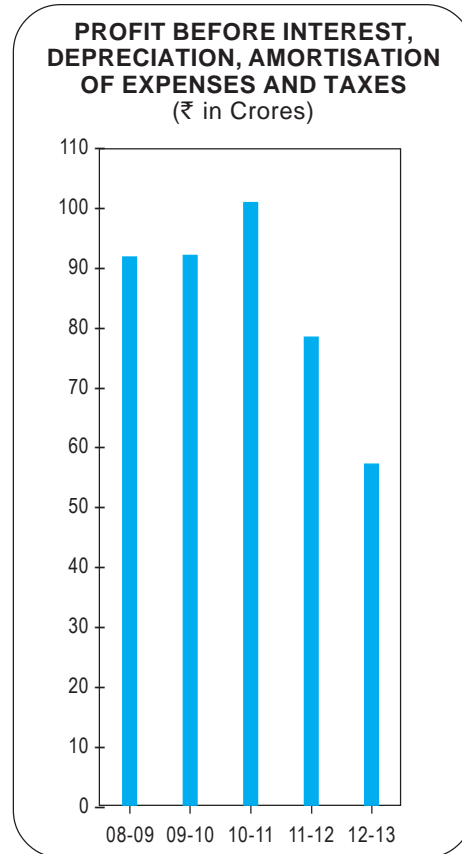
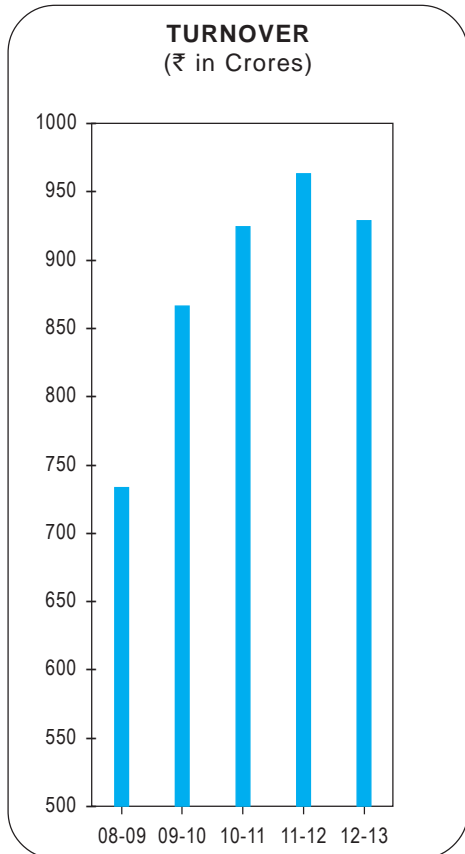
Tata Steel Europe. During the year under review, TRL China incurred a loss of RMB 8.57 Million against loss of RMB 23.04 Million, a decrease of around 63%. It has been assessed that performance of TRL China will further improve during the current financial year and TRL China will be able to make profit.

Health, Safety and Environment

Occupational Health, Safety and protection of environment was on the top of your company's priority list and various initiatives implemented during the year are as follows:

(A) Occupational Health & Safety

To achieve a hassle free working environment & an accident free workplace, the company has marched ahead towards excellence in Safety. The Mission 'Safety Excellence Journey' has brought success in many areas of Safety even in the first few steps of its journey. The implementation of behavioral Safety has brought wonderful change in the safety culture of the company. Sixty new Safety Standards have been developed and implementations of those standards are on progress. An amount of ₹ 55 Lakhs has been spent on various safety jobs like procuring safety gazettes, conducting statutory audits, implementing engineering solutions, imparting



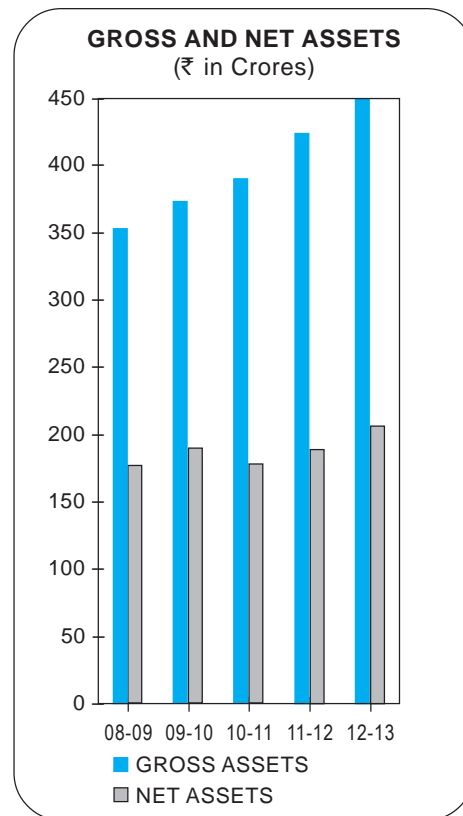
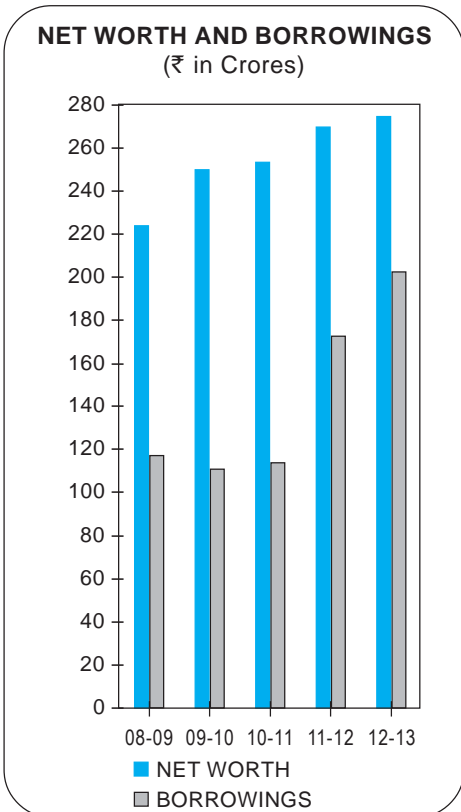
safety trainings and demonstrations at shop floor, etc. The Lost Time Injury Frequency Rate has reduced by 50% in comparison to last year. Emergency Preparedness Plan has been revised according to the new requirements. Material Safety Data Sheets have been prepared for all the hazardous material used in the plant. HIRA, HAZOP & SOP have been reviewed and actions are being taken. Safety Awareness & training have been imparted to 100% employees of the company to ensure a safe working environment. 100% employees are undergone Periodical Medical Checkup.

(B) Environment

Environmental Protection is given top most priorities in the Company. The Company has under taken following initiatives during the year 2012-13, to bring improvements in air and water pollution control.

- 1) The Company is maintaining all parameters of air and discharge water quality within the SPCB norms.
- 2) All dust filter units are now converted to modern Pulse jet filters for better efficiency and control of work-zone dust level.
- 3) Two numbers of dust extraction units have been installed at brick grinding station to reduce fugitive dust emission.

- 4) Revamping of Waste water treatment settling tank's filter beds in "O" type outlet.
- 5) The newly installed 50 KLD ETP plant is made fully operational to treat Toxic Tarry water and the out let water is completely colourless and odourless. This out let water is now utilised as process water and not discharged to outside.
- 6) Installed water sprinklers for dust suppression at Dolomite wagon unloading area and truck Parking area.
- 7) Dust suppression measures such as (i) water spraying in grinding area, (ii) enclosure in the bunkers and one side opening with vertical rubber felts, (iii) adequate suction points leading to DE systems are also provided.
- 8) Received the Consent order under Air & Water Act from PCB to operate our plant for the Year 2013-14.
- 9) The Hazardous waste authorization for the Company is valid up to March, 2015.
- 10) Around 37,000 multi species trees are planted during this year.

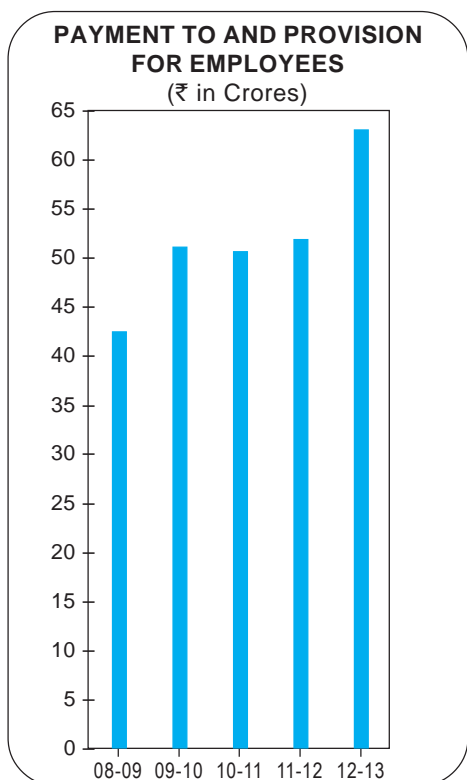


(C) Corporate Social Responsibility and Sustainability

The Company has an innate desire and zeal to contribute towards the welfare and social upliftment of the community. Major activities pursued by the company during the year under review are as follows:

(a) Health and sanitation:

- i) With an objective to ensure that every rural household has a toilet, the Company has partnered with the State Government and an NGO for constructing toilets with water facility in every house in different villages. During the year under review 175 households were provided with permanent bathrooms & toilets with water facilities. So far, under this programme, 1530 families have been benefited.
- ii) The Company continues to work on correcting the congenital deformities of cleft lip and cleft palate cases. Accordingly, it has reached out to different parts of the state to identify such cases and correct them through surgical interventions. During the year under review Sixty one such cases were identified and successfully operated in the Company's hospital at Belpahar,



which is accredited by the “Smile Train of USA”. With this, the total numbers of cleft lip & cleft palate corrections done so far has gone up to 868.

- iii) During the year, under review eight numbers of Health Camps were organized in association with local authorities at different places in which around 3,302 persons availed the benefits.
- iv) During the year, under review six Tube Wells, four Deep Bore Wells and one Dug Well were installed in different villages to provide safe drinking water.

(b) Education

- i) The Company assists various schools to develop basic infrastructure to improve the quality of education. Such infrastructure support include, construction of class rooms, hostels, bench & desks, beds for hostel, science apparatus, library books, and supply of other items as per requirement. During the year under review, two hostel rooms, one hundred twenty seven MS beds, one hundred sixty MS Desk & Benches were supplied to twelve nos. of rural schools.
- ii) In order to provide the meritorious but poor students access to quality education, the Company provide scholarship to such students every year under its Merit-cum-Means scholarship scheme. During the year, under review a total of two hundred twenty five students were benefited from this scheme.
- iii) With an objective to ensure that no talent is denied opportunity to pursue his/ her basic education, the Company has instituted an “Ekalavya” Scheme. Under this scheme, bright but poor students are selected from the rural schools from class V and are admitted to a good residential school with free lodging and boarding facilities up to class X. During the year, under review three SC/ST boys were selected and admitted in BR High School. At present, a total of sixteen students are pursuing their studies in BR High School under this scheme.

(c) Agriculture

During the year, under review two focused irrigation support projects were undertaken with an expenditure of ₹ 1.60 lakhs and were

completed. This has resulted in irrigation of additional 480 Acres of land from which around 201 families were benefited.

(d) Rural Self Employment Training Institute (RSETI)

The Institute, established in 2009, has so far trained a total of 1988 unemployed youth, out of which around 85% have already been gainfully engaged either through wage employment or through self-employment. Many of them have also started their own entrepreneurship ventures. During the year under review alone, a total nos. of 399 students passed out in core trades from the Institute. The institute is run in association with State Bank of India. It is worthwhile to mention here that this institute has been adjudged as the next 3rd BEST RSETI in the country, a recognition for its excellent performance.

(e) Affirmative Action

The Company commits to address the needs of the underprivileged section of the society, particularly the SC/ST community, by undertaking various initiatives in the areas of Employment, Employability, Entrepreneurship and Education. For this, it is guided by its Affirmative Action Policy and Code of Conduct. The Affirmative Action initiatives undertaken include;

i) Employment

The company encourages the principle of 'positive discrimination' towards candidates from SC/ST community, subject to merit and performance being equal with others in all its direct and indirect employment/engagements. During the year, under review seven officers were recruited from SC/ST community in the rolls of the company.

ii) Employability

The Rural Self Employment Training Institute (RSETI) established by the company in 2009 has developed into a model institute imparting skill development training to unemployed youth of the area. Besides imparting training, the institute also follows up and helps the passed out trainees to ensure that they are gainfully engaged. It is a matter of satisfaction that around 85% of these trainees have found gainful engagement. During the year under review around 391 nos. of SC/ST candidates passed out from the institute and out of those, 232 nos. are already gainfully engaged.

iii) Entrepreneurship

Entrepreneurship development training forms a part of the training calendar of Rural Self Employment Training Institute (RSETI). After passing out from RSETI and with the help and support of the institute, around fifty youths have started their own entrepreneurship ventures and are doing well. Similarly, vocational training classes on sewing for ladies also have helped in developing entrepreneurs, who run their own tailoring shop and earn a decent livelihood.

iv) Education

The Company assists the meritorious but needy students through scholarship and other support schemes, such as infrastructure support. During the year under review forty SC/ST students availed the company sponsored merit-cum-means scholarship, fourteen SC/ST students were given TRL scholarship for professional courses for school education. Besides, seventy nine students, coming from BPL background, who study in BR High School, Belpahar, were fully exempted from paying their tuition fees.

(f) United Nations Global Compact Compliance

As a signatory to the United Nations Global Compact programme, the Company strives to comply with its principles. As an equal opportunity employer, it does not carry any bias against any person based on caste, religion, race, marital status, sex, disability etc. It commits not to carry out any act which violates human rights. During the year under review no case of violation of human rights has been reported. Energy conservation, environment protection and safety management are priority areas for the sustainability and growth of the Company. Accordingly, focused initiatives are taken in these areas to reduce generation of waste, promote recover, recycle and reuse principle, reduce and contain pollution. A comprehensive safety excellence journey has been started to improve the overall safety management status in the Company. The Company, as a responsible corporate citizen, continued to undertake various projects/programmes in the identified areas of health, education, irrigation, employability, etc. Tata Code of Conduct serves as a Guide and drives ethical behavior across the Organization and amongst all stakeholders.

Industrial Relations

With the cooperation and support from the TRL Krosaki Refractories Sramika Sangha, Belpahar and TRL Krosaki Refractories INTUC Employees Union, Karuppur, long term wage agreements, valid for four years, were signed with these unions in a very cordial and amicable environment. Similarly, during the year, under review long term agreements for payment of bonus linked with profitability of the Company were also signed with these unions, for a period of four years.

All through the year, a very peaceful and cordial Industrial Relations was maintained with cooperation and support from all employees and particularly the union representatives, who were very understanding and organization focused. There has been no instance of any man-hour lost on account of any IR dispute.

Directors' Responsibilities

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- (a) that in the preparation of annual accounts for the year ended March 31, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any,
- (b) that such accounting policies as mentioned in the Notes to the Accounts have been selected and applied consistently, and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2013, and of the profit of the Company for the year ended on that date,
- (c) that proper and sufficient care has been taken for the maintenance of 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) the annual accounts have been prepared on a going concern basis.

Subsidiaries

The consolidated financial statements presented by the Company include financial information of its subsidiaries prepared in compliance with applicable Accounting Standards. The Ministry of Corporate Affairs, Government of India vide its Circular No.5/12/2007-CL -III dated 8th February, 2011 has granted general exemption under Section 212(8) of the Companies Act, 1956, from attaching the balance sheet, statement of profit and loss and other documents of the subsidiary companies to the balance sheet of the Company, provided certain

conditions are fulfilled. Accordingly, annual accounts of the subsidiary companies and the related detailed information will be made available to the holding and subsidiary companies' investors seeking such information at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by any Investor at its Registered Office in Belpahar and that of the subsidiary companies concerned.

Details of major subsidiaries of the Company are covered in this Annual Report.

Directors

Mr. P. K. Bajaj, who was appointed on the Board of Directors with effect from March 16, 2010, resigned as Director with effect from April 30, 2012. The Board has placed on record its warm appreciation of the valuable services rendered by Mr. Bajaj during his tenure as Director of the Company.

Nominated by Steel Authority of India Limited (SAIL), Mr. P. S. Shrivastava was appointed as Additional Director on the Board of Directors with effect from October 26, 2012, under Section 260 of the Companies Act, 1956. Mr. Shrivastava holds office as Additional Director upto the forthcoming Annual General Meeting. Pursuant to the provisions of Section 257 of the Companies Act, 1956 the Company has received notice in writing together with the requisite deposit from a member proposing the candidature of Mr. Shrivastava to the office of Director.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Hiroshi Odawara, Mr. Kotaro Kuroda and Mr. Kinji Matsushita are retiring by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

Auditors

M/s N. M. Rajji & Co., present Auditors of the Company, retire at the forthcoming Annual General Meeting and are eligible for re-appointment. Pursuant to the provisions of Section 224 of the Companies Act, 1956, their re-appointment requires the approval of the members.

Energy, Technology, Foreign Exchange etc.

Particulars, pursuant to the provisions of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure - A.

Particulars of Employees

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employee) Rules, 1975, names and other particulars of employees of the Company who were in receipt of remuneration of not less than ₹ 60,00,000 during the year ended March 31, 2013 or ₹ 5,00,000 per month are set out in Annexure- B.

On behalf of the Board of Directors

Kolkata, 8th May, 2013

(H. M. Nerurkar)
Chairman

ANNEXURES TO DIRECTORS' REPORT**Annexure-A****Particulars pursuant to the provisions of Companies
(Disclosure of Particulars in the Report of Board of Directors) Rules, 1988****(A) Conservation of Energy****(a) Energy conservation measures taken:**

- (i) Producer and as firing is maximised in Fire Bricks Tunnel Kiln-1 & 2 with the new In-house designed gas burners & external combustion air arrangement and a substantial reduction in oil consumption achieved.
- (ii) Pet coke feed rate in RTK-1 increased from 300 Kg/hr to 600Kg/hr and in RTK-2 it is increased to 650 Kg/Hr.
- (iii) Improvement in operating practices of Gas Producers and thereby reduction in coal consumption.
- (iv) Use of HSD in all Tunnel Kilns replacing Furnace oil to reduce the firing cost, during July to October 2012, as the price of HSD was less by ₹ 7/Liter.
- (v) Use of low viscosity synthetic fuel to substitute Furnace Oil and HSD in Tunnel Kilns to reduce firing cost.

(b) Additional investments or proposals, if any, being implemented for reduction of consumption of energy

- (i) Use of low viscosity Synthetic fuel to substitute HSD in DTK & FCP Car-Bell Kilns.
- (ii) Use of waste heat to heat Furnace Oil and Fortis oil instead of electrical heating.
- (iii) Use of Coal Fines in newly installed Boiler for Taphole Clay Plant and ETP.

(c) Impact of above measures:

- (i) Oil consumption reduced by 1.0KL/day after modification in FTK-1 & 2.
- (ii) Coal consumption reduced by 150MT / month in gas producers.
- (iii) A savings of ₹ 72 Lac in 5 months achieved on account of HSD firing in Tunnel Kilns.
- (iv) 48% increase in specific pet coke consumption (from a level 39 Kg/MT to 58Kg/MT)

(B) Technology Absorption

Efforts made in technology absorption are given in form – B enclosed.

(C) Foreign Exchange earnings and outgo

- (a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products & services and export plan : **Mentioned in the Directors' Report.**
- (b) Total foreign exchange used and earned:
 - Foreign Exchange used : ₹ 190 Crores
 - Foreign Exchange earned : ₹ 171 Crores

Form for disclosure of particulars with respect to Conservation of Energy

(A) Power & Fuel Consumption	Current Year	Previous Year
1. ELECTRICITY		
(a) Purchased		
Units (M.kwh)	38.97	37.83
Total Amount (₹ Lakhs.)	2,024.73	1,862.38
Rate/Unit (₹ /kwh)	5.20	4.92
(b) Own Generation :		
(i) Through Diesel Generator		
Units (kwh)	191,720	335,562
Unit per Ltr. of Diesel Oil	2.35	2.79
Cost/Unit (₹)	19.96	13.53
(ii) Through Steam Turbine/Generator	—	—
2. STEAM COAL GRADE “B” USED IN GAS PRODUCERS :		
Quantity (Tonnes)	21,589	21,914
Total Cost (₹ Lakhs)	1,670.83	1,631.60
Average Rate (₹ / T.)	7,739	7,445
3. FURNACE OIL, L.D.OIL		
BELPAHAR : Quantity (KL)	16,776	16,362
Total Amount (₹ Lakhs)	6,993.78	6,137.29
Average Rate (₹ /KL)	41,689	37,509
4. OTHERS		
PETROLEUM COKE : Quantity (Tonnes)	9,635	7,187
Total Amount (₹ Lakhs)	1,285.25	1,073.54
Average Rate (₹ /T)	13,339	14,937
(B) Consumption per unit of production of the Company		
	Current Year	Previous Year
	(Refractories Per Tonne)	
Electricity (kwh/tonne)	215	196
Steam Coal-Grade “B” (Kg/tonne)	123	118
Petroleum Coke(Kg/tonne)	55	39
Furnance Oil, L.D.Oil (Litrs/tonne):	96	88

Form for disclosure of particulars with respect to Technology Absorption

Research & Development

1. Specific areas in which R&D work was carried out by the Company

New product development, quality improvement of existing products, process improvement for higher yields, higher productivity, reduction in raw material costs and exploration of new sources of raw materials. Major emphasis was given to the research in the field of nano-materials, eco-innovations and development of products for Iron & Steel Sectors including Pellet Plants; and Non-Ferrous Metallurgical Industries like Cement, Glass etc..

2. Benefits delivered as a result of R&D Programmes

R&D works have helped in reducing the cost of raw material through redesign of products as well as improvement in yield. Sales through new products during the year ending March 2013 were ₹ 357 Crores.

3. Future plan of action

In the coming year, the R&D and Technology Division plans to focus on:

- (i) Development of Improved Quality ASC Bricks for Torpedo Ladle Application.
- (ii) Development of Chrome-Corundum Bricks for Coal Gasifier.
- (iii) Development of Low Carbon MgO-C Bricks.
- (iv) Development of Quick Drying/Rapid Firing Low Cement Castables.
- (v) Development of Basic Gunning Materials for Converter & EAF.
- (vi) Research on use of Different Nano-Materials in Refractories.

4. Expenditure of R&D

(a) Capital	:	₹ 2.03 Lakhs
(b) Recurring	:	₹ 358.61 Lakhs
(c) Total	:	₹ 360.64 Lakhs
(d) Total R&D Expenditure as a percentage of total turnover	:	0.39%

5. Technology absorption, adaptation and innovation:

(i) Efforts, in brief, made towards technology absorption, adaptation and innovations:

- Thirty Nine numbers of new/improved products were introduced such as high performance Slide Plate (for 3 heats) & Collector Nozzle (for 3 heats) for LD#1, Tata Steel; Al₂O₃ - Spinel Slide Plate & Alumina Spinel Nozzle for Mini Steel Plants; High performance Plastics, Castables & HA Bricks for 20MW to 150MW CFBC Boilers; High performance MgO-C brick for Electric Arc Furnace (EAF) application; Magnesia – Spinel bricks for Lime Kiln application; High performance Trough Castable for ESSAR Steel & Tata Steel; Corundum – Spinel bricks for Torpedo Ladle application; Al₂O₃-ZrO₂-Cr₂O₃ bricks for Pelletization Plant & Non-ferrous Metallurgical industries; Silica insulation bricks from waste material; High Thermal Shock Resistance CDQ bricks for Tata Steel; High Alumina Bricks approved by CRC, Tata Steel Europe as per Danieli Corus specification; Cordierite – Mullite bonded HA bricks for Coke Oven door application; Low Cement non-wetting castables for Aluminium Industries etc.
- Innovation in every field of business processes are given as the thrust area. People at different levels are trained through awareness programmes on innovation in the form of MDP classes, 'Ek Nayee Disha' Programme, classroom and shop floor teaching etc. A new initiative called 'Drive towards Improving Quality System of the Company to Global Standard' has started to cover all employees including contractor employees. As a result of the above drive; a new Quality Management System (QMS) has been introduced in the Plant.

- Eco-Innovative projects like Development of Low Carbon MgO-C Bricks; Development of value added products from waste materials; use of nano-materials in Refractories etc, have been taken up and lots of business is expected in the years to come. The Company is working jointly with different Institutes/ Universities like National Institute of Technology, Rourkela; Central Glass & Ceramic Research Institute, Kolkata etc, on collaborative projects. Two joint projects with NIT, Rourkela are funded by the Department of Science & Technology, Govt. of India.

(ii) Benefits derived as a result of above efforts:

- The performance of the Company's products has shown superiority at customers' end with record lives (record high life of 77 heats in Viraj Profiles SMS#2 for 50MT AOD lined with Dolomite bricks; record high life of 62 heats with 8900 minutes process time in 60MT AOD of Salem Steel using Dolomite bricks; improved life of 3 heats for both Slide Plates and Collector Nozzle at LD#1, Tata Steel; Trough Castable at ESSAR Steel gave record throughput of 2.10 Lakh Ton of Hot Metal in Blast Furnace; improved life of ASP Spinel Slide Plates & AD Nozzles at different Mini Steel Plants etc.).
- Several successful trials of Company's products (mainly DBMC) have already been completed to promote the products in domestic as well as International Business. Received orders to supply DBMC bricks to Enami, Chile and to HCL, Ghatsila. These focused approaches will definitely generate more revenue in the future years.
- Savings in raw materials costs, improvement in process yield, higher product performance at customers end, increased customer satisfaction etc. are going on as continual basis.

(iii) In case of imported technology (imported during the five years reckoned from the beginning of the financial year) following information may be furnished:

Technology	Year of Import	Status of implementation
(a) Taphole Clay – Krosaki Harima Corporation, Japan	2011-12	Under implementation
(b) Flow Control Products (FCP) – Krosaki Harima Corporation, Japan	2011-12	Under implementation
(c) RH Snorkel – Krosaki Harima Corporation, Japan	2011-12	Under implementation
(d) Wear Lining Material for Trough & Runner – Krosaki Harima Corporation, Japan	2012-13	Under implementation
(e) Repair Material – Krosaki Harima Corporation, Japan	2012-13	Under implementation

ANNEXURE - B
Statement pursuant to Section 217 (2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975

Name	Designation and nature of duties	Gross Remuneration (₹)	Net Remuneration (₹)	Qualification	Age in years	Total Experience years	Date of Commencement of Employment	Particulars of last Employment held
1	2	3	4	5	6	7	8	9
Chattopadhyay A. K.	Managing Director	1,41,36,842	91,21,722	M. Tech (Chem. Tech), Ph. D. (Tech)	60	35	01.05.2002	Senior Vice President & Chief Executive, (Refractories Business), Associated Cement Companies Limited
Das C.S.	Executive Vice President & Chief Finance Officer	70,20,292	41,07,200	B.Com, FCA, ACS	54	31	01.04.1996	Controller of Accounts & Company Secretary IPITATA Refractories Limited
Panda P.B.	Executive Vice President & Chief Operating Officer	72,21,016	45,37,503	B.Sc. (Tech.) Ceramic Tech.	54	31	17.10.1981	President & CEO, TRL China Ltd.

- Notes :
1. Gross Remuneration comprises Salary, allowances, monetary value of perquisites, commissions and the Company's contribution to Provident Fund and Superannuation Fund but excludes contribution to Gratuity Fund as separate figures are not available.
 2. Net Remuneration is after tax and is exclusive of Company's contribution to Provident Fund and Superannuation Fund and monetary value of non- cash perquisites.
 3. The nature of employment is contractual.

On behalf of the Board of Directors

Kolkata, May 08, 2013

(H. M. Nerurkar)
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

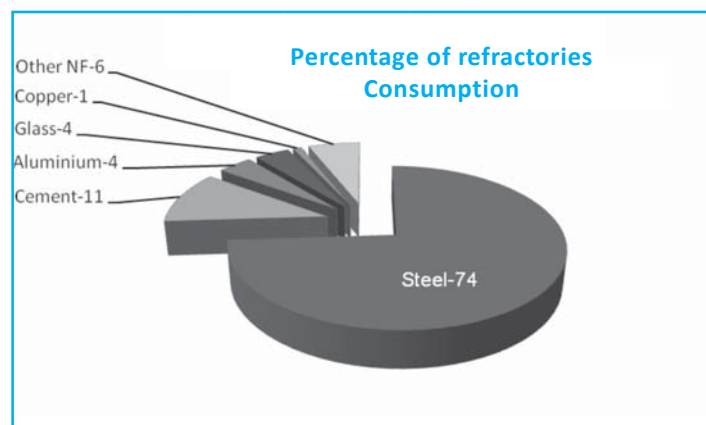
Economic Environment

Growth of the world economy weakened considerably during the financial year 2012-13 and expected to grow at 2.4%. Weaknesses in the major developed economy are at the root of the global economic slowdown. The economic woes in Europe and the United States are spilling over to developing countries through weaker demand for their export and heightened volatility in capital flows and commodity prices.

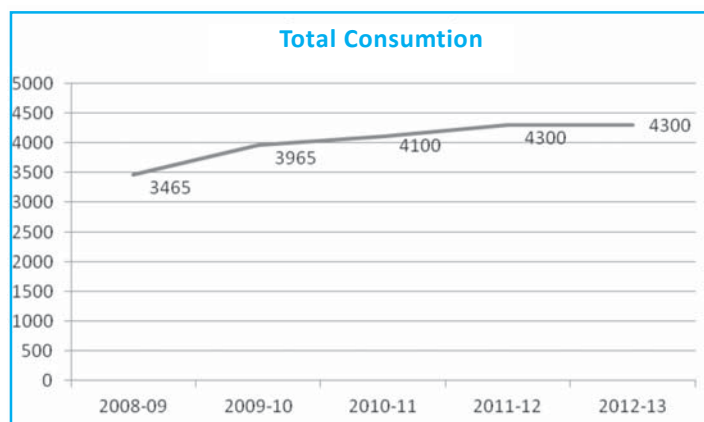
During 2012-13, India is expected to grow at 5%, the slowest in the decade. While India's slowdown is partly rooted in external causes, domestic causes have also significant influence. The domestic cause is primarily attributable to weakness in industry which registered a growth rate of only 3.1%. The growth rate of the manufacturing sector was even lower at 1.9%.

Industry Overview

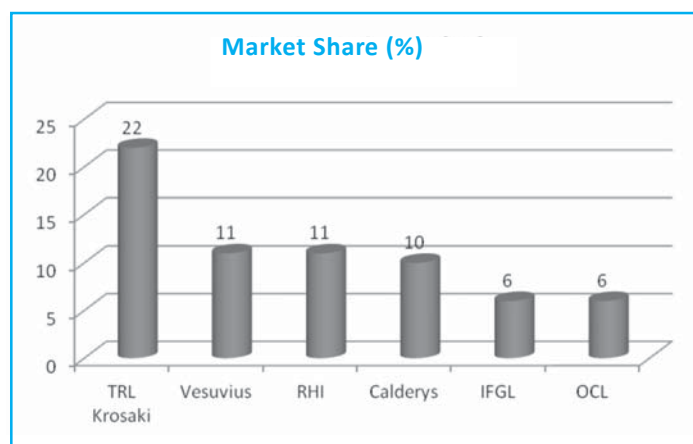
Refractories are composite materials used in large volume in extreme, usually corrosive environments as furnace lining for high temperature materials processing and other applications in which thermo chemical properties are critical. Refractories are therefore, facilitating or enabling materials and are essential to successful operations of any industry in which high temperature are used. Industry-wise percentages of refractories consumption in India during the financial year 2012-13 are as follows:



The trend of refractories market (₹ Crore) in India is shown in the following Graph :



Market share of major refractories manufacturers in India in 2012-13 is as follows:



Imported refractories share around 10% of the Indian refractories market. Refractories are used both for construction of new projects and as consumable in running plants.

Performance Review

During the year under review, growth of Indian refractories industry was seriously affected due to delay and deferment of new projects of Iron and Steel manufacturers. Operations of existing plant were also affected owing to closure of mines, which had affected supply of raw materials.

With the surplus capacity in the refractories industry, the competitive intensity both in domestic and global markets had further increased, which had made prices of products to depress.

The highlights of financial performance are as under:

Item	2012-13 (₹ Crores)	2011-12 (₹ Crores)	Change (%)
1. Sale of Products and Services (including Excise Duty)	924	957	3 ↓
2. Other Income	5	7	29 ↓
3. Total Income (1+2)	929	964	4 ↓
4. Manufacturing and other Expenses (including Excise Duty)	872	885	1 ↓
5. Earnings before interest, Depreciation and Taxes (EBIDTA)	57	79	28 ↓
6. EBIDTA margin	6.14%	8.20%	–
7. Depreciation	25	19	4 ↑
8. Finance Cost	22	20	11 ↑
9. Profit Before Tax	10	35	71 ↓
10. Profit After Tax	7	25	72 ↓

During the year under review, the Company suffered negative growth mainly due to lower capacity utilization of High Alumina, Basic and Monolithics facilities owing to delay or deferment of projects of various Iron and Steel manufacturers. During the year under review, prices of Furnace oil and Electricity increased exorbitantly. The combined impact of lower capacity utilization, depressed price and higher input cost had adversely affected the profit of the Company.

Finance Cost & Liquidity

The tight monetary policy by RBI in 2011-12, to curtail spiraling inflation, continued in major part of the current year, for which borrowing cost remained very high.

Higher finance cost for the year at ₹ 22 Crores against ₹ 19 Crores of last year was attributable to additional borrowing to finance working capital requirement and capital expenditure of the Company. Borrowing for Capex increased to ₹ 64 Crores from ₹ 36 Crores of last year. Borrowing for working capital increased to ₹ 138 Crores from ₹ 135 Crores of last year. Although, total current assets increased by ₹ 1 Crore (₹ 409 Crores current year against ₹ 408 Crores last year) inventories increased by ₹ 10 Crores from ₹ 161 Crores last year to ₹ 171 Crores current year. Raw material inventories increased primarily due to procurement of higher volume of Raw material to avail volume discount and due to lower production. Stock of traded products increased due to delay in lifting materials by customers due to delay in execution of their projects. Inventory of stores and spares has increased partly due to materials procured for ongoing project work and partly due to lower production. Work in progress has increased due to higher production of dolo sinter and other intermediary products.

Although, total debtors has decreased from ₹ 191 Crores in last year to ₹ 181 Crores, the debtors outstanding for more than six months has increased from ₹ 33 Crores last year to ₹ 62 Crores primarily due to delay in receiving payments from Esfahan Steel Company, Iran and performance based order taken by the company for which payments are made by customers based on performance of the products supplied. Some customers are also delaying payments due to fund problem faced by them. Although, at present all refractories manufacturers are facing similar situation with respect to receivable, the Company has initiated action to reduce receivable considerably.

Although, throughout the year, interest rate remained at a very high level, the average cost of borrowing contained at 9.98% for the year against 9.80% of previous year by availing short term loan and discounting bills at a lower rate. Despite lower cash profit, the Company managed to ensure that funds are available to meet its operational and capital expenditure.

Keeping in view, estimated better performance during the year 2013-14, current gearing level, and unutilized credit limits, the Company is confident of managing its liquidity over the short term and medium term.

ICRA has assigned "AA-" (pronounced as double A negative), rating to Fund Based Working Capital Limit and Term Loan and "A1+" (pronounced A one Plus) rating to Non-fund Based Working Capital Limit and Short term Fund Based Working Capital Limit of the Company.

Human Resources

The Company recognizes human resources are prime factor for success of any Organization. Recognizing this, the Company has continued to provide thrust in developing its workforce on continuing basis.

With a view to enhancing the technical and managerial capability of the people, the Company conducts in-house training programmes in its state of the art learning center and also nominates people to outside programmes. At 11 man-days per employee per year in training, the Company is the best amongst any refractories company in India.

Due to various measures taken by the Company to improve employees' satisfaction, attrition rate of officers has come down to 3.8% from 13.5% in the year 2006-07.

Business Strategy

Keeping in view, economic slowdown and stiff competition in the market, the Company has adopted following strategies to strengthen its position in the market:

- (1) Up-gradation of quality of some products in association with Krosaki Harima Corporation, Japan.
- (2) Introduction of new products like Taphole Clay and new version of Flow Control Products (FCP) together with new slide gate device.
- (3) Strengthening refractories engineering and management services.

Trial production of Taphole Clay is under progress. After stabilization of quality, commercial production will start. Construction of new FCP plant is expected to be completed in the third quarter of the current financial year.

The Company successfully completed rebuilding of coke oven battery No.1 of Esfahan Steel Company, Iran. This is 1st Refractories Engineering & Management Service undertaken by the Company in a foreign country. Successful completion of the project has given confidence to Company to undertake similar contract in foreign countries.

Future Outlook

The revival of growth in the advanced countries is expected to be slow and uncertain at least in the near future despite the measures being taken on monetary and fiscal fronts. Hence, it is unlikely that the support to Indian growth from the global economy will be significant. Under such situation, India cannot depend upon external environment and needs to move quickly to restore domestic balance. Recent reforms like the creation of the Cabinet Committee on Investment to expedite Government clearances for large projects, and cabinet approval for land acquisition bill, are steps in the right direction. As inflation is easing back, RBI has started reducing Policy rates. It is expected that after a benign inflation outlook RBI will decisively shift from inflation to growth. Lower interest rate is expected to provide an additional fillip to investment activity for industries. In such scenario, the survey predicts the Indian economy to grow in the range of 6.1% to 6.7% in 2013-14.

Keeping the above improvement in economic condition in view and various action taken by the Company to introduce new products and for improvement in existing products with the technical know-how and support of Krosaki Harima Corporation, Japan, it has been assessed that the Company would be in a position to improve its performance significantly in 2013-14.

Risks and Concerns

Steel industry being the major consumer of refractories, holds key to the growth of refractories industry. Since last two years, several Iron and Steel projects has been stalled due to policy bottleneck, like obtaining environmental permissions, fuel linkages, mining permission or land acquisition. Although, the government has taken a number of steps to revive investment and growth, it may take some time to get the desired result.

Continuous increase of energy cost is a concern for the Company. Uncertainty in oil price prevails due to geopolitical risks. As major source of electricity is thermal power plants, electricity charges may increase further due to increase in coal price.

Internal Control Systems

The Company has adequate internal control systems and procedures in place commensurate with the size and nature of its business. The effectiveness of internal control is continuously monitored by the Internal Audit Department of the Company. The Internal Audit's main objective is to provide to the Audit committee and the Board of Directors, an independent, objective and reasonable assurance of the adequacy and effectiveness of the organization's risk management, control and governance processes. Internal Audit is also assesses opportunities for improvement in business process, systems and controls and provides recommendations designed to add value to the Organization. Internal Audit also follows up on the implementation of corrective actions and improvements in business processes after review by the Audit Committee and Senior Management.

The scope and authority of the Internal Auditors is derived from the Audit Charter approved by the Board of Directors. The Company has an Audit Committee of Directors with three non-executive directors. To ensure independence, the Chief of Internal Audit has a direct reporting line to the Chairman of the Audit Committee and only indirectly to the Managing Director. The Audit Committee meets the Company's Statutory Auditors in order to ascertain their observations on financial reports and on control concerns. The Audit Committee's observations and suggestions are acted upon by the Management.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations are "forward-looking statements". Actual results can differ materially from those expressed or implied. Important factors that could make a difference to Company's operations include economic conditions affecting demand/supply, price conditions in the domestic and overseas markets, changes in Government regulations, tax laws and other statutory and incidental factors.

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2012-13

1. Company's philosophy on Corporate Governance

TRL Krosaki Refractories Limited is not a Listed Company. Hence, the Corporate Governance norms are not statutorily mandatory for TRL Krosaki. However, your Company is committed to follow good corporate governance practices proactively. The Company emphasises the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth. The Company believes that good corporate governance practices generate goodwill among business partners, customers and investors, earn respect from society, bring about a consistent sustainable growth and profitability for the Company and ensure competitive returns for the investors. The Corporate Governance philosophy has been strengthened with the implementation of Tata Business Excellence Model and the Code of Conduct applicable to the Company, its Directors and its Employees.

2. Board of Directors

Profile :-

Mr. Hemant Madhusudan Nerurkar was appointed as Chairman of the Board on August 27, 2011. A Bachelor of Technology in metallurgical engineering from the College of Engineering, Pune University, Mr. Nerurkar has attended several management courses in India and overseas, including CEDEP in France. He is associated with several professional organizations such as Indian Institute of Metals, Institute for steel development and growth and all India Management Association, amongst others. Mr. Nerurkar joined Tata Steel on February 1, 1982. He has held various positions including Chief Metallurgist, Senior Divisional Manager (LD-1), Deputy General Manager (Steel & Primary Mills), General Manager (Marketing), Senior General Manager (Supply Chain), Vice President (Flat Products) and Chief Operating Officer before he was appointed as Executive Director on the Board of Tata Steel in April 2009 and on 1st October 2009, he took over as the Managing Director, in-charge of India and South East Asia Operations. He has over 36 years of experience in steel industry in various functions. Mr. Nerurkar has multifaceted experience ranging from Project Execution, Manufacturing, Quality Control, Supply Chain and Marketing.

During his illustrious career, Mr. Nerurkar has been conferred with several prestigious awards such as the 'Tata Gold Medal 2004', 'SMS Demag Excellence Award 2002', 'Steel 80's Award-1990', 'SAIL Gold Medal – 1989', 'Visveswaraya Award-1988', 'NMD Award-1987', 'CEO with HR Orientation Award-2010', 'Maxell Foundation & Maharashtra Corporate Excellence Award-2012' and has been honoured with Melvin Jones Fellowship Award from Lions Club International.

Dr. Arup Kumar Chattopadhyay joined the Company on 1st May, 2002 as Executive Director. He holds degrees in Master of Technology in Chemical Technology (specialization in Ceramic Technology) and Ph.D (Technology) - kinetics of dehydration and rehydration of aluminium silicate systems from Calcutta University. He has been appointed as Whole-time Director (designated as Executive Director) w.e.f. 10.5.2002. Prior to his appointment in the Company, Dr. Chattopadhyay, was Sr. Vice President & Chief Executive (Refractories Business) of ACC Refractories (A Division of Associated Cement Company Limited). Dr. Chattopadhyay has over 35 years of experience, encompassing all facets of management i.e. manufacturing of refractories, developing and implementing business strategy, productivity enhancement, financial management, restructuring etc. He was re-designated as Joint Managing Director of the Company with effect from 1st March 2008, and was elevated to the position of Managing Director with effect from 28th April 2009.

Mr. Vuppala Satyanarayana Murty joined the Company as Director in May 05, 2008. A graduate in Commerce and Member of the Institute of Chartered Accountants of India, Mr. Murty has over 34 Years of experience in the area of Finance and Accounts of Tata Steel. He is presently the Chief Financial Controller (Corporate) of Tata Steel. He is in the Board of various Tata Group Companies.

Mr. Yujiro Ueda joined the Company as Director in May 31, 2011. He holds degrees in Bachelor of Engineering from Tokyo University and Doctorate of Steelmaking from RWTH Aachen. He has 28 years of experience in the areas of Steelmaking and Technical Management in Nippon Steel Corporation and was the recipient of a two-year scholarship in Germany. He joined Krosaki Harima Corporation on 1st April, 2000. He has over 12 years of management experience in the areas of Technical and Research Management, Developing Business Strategy, Financial Management, Purchasing Management, and Restructuring, etc. Mr. Ueda is Director and Executive Managing Corporate Officer of Krosaki Harima Corporation and he serves on the board of Krosaki Magnesita Refractories LLC, a subsidiary of Krosaki Harima Corporation.

Mr. Kotaro Kuroda joined the Company as Director in May 31, 2011. A Bachelor of Science and Master of Science from Kyushu University, Mr. Kuroda has over 30 years of experience in the area of Research & Development, and he has served as Plant Manager of Monolithic Refractories. He has over five years of experience in General Management of the Manufacturing Division of Krosaki Harima Corporation. He is presently Director, Managing Corporate Officer and General Manager of Krosaki Harima Corporation's Monolithic Refractories Division. He also serves on the board of Krosaki Harima Cera Corporation, a subsidiary of Krosaki Harima Corporation.

Mr. Hiroshi Odawara joined the Company as Director in May 31, 2011. A Bachelor of Economics from Nagasaki University in 1976, Mr. Odawara has over 35 years of experience in the area of Sales and Marketing at Krosaki Harima Corporation. He is presently the Corporate Officer and General Manager of Overseas Sales and Marketing Department. He also serves on the boards of Krosaki Harima Europe B.V. and Krosaki Harima (Shanghai) Enterprise Management Co., Ltd., both subsidiary companies of Krosaki Harima Corporation.

Mr. Kinji Matsushita joined the Company as Director in May 31, 2011. He holds degree in Mechanical Engineering from Waseda University in 1980. Mr. Matsushita has over 30 years of experience in manufacturing plant management and technical service. He is presently a Corporate Officer and General Manager of Krosaki Harima Corporation.

Mr. Kiyotaka Oshikawa joined the Company as Director in May 31, 2011. A Bachelor of political Science and Economics from Waseda University, Mr. Oshikawa has 26 years of experience in the areas of Finance, Accounting and Corporate planning. He has served as auditor of several subsidiary companies of Krosaki Harima Corporation. He is presently General Manager (Accounting and Finance Department) of Krosaki Harima Corporation.

Mr. Rajesh Chintak Joined the Company as Director on October 20, 2011. He holds Bachelor of Technology in Electrical Engineering from National Institute of Technology, Jamshedpur. He joined Tata Steel in 1989, in the power engineering group of Raw Materials Division and has been involved in various projects of the Company. He has worked extensively in the design and development of the Fluidized Bed Combustion technology along with BHEL. Between 1989-2000, he had held various positions in the Collieries Division at Tata Steel. He was involved in the redesign of the Organisation of Tata Steel in 2000-2001 as a member of the performance Ethics Programme Team. Mr. Chintak led various improvement initiatives at Tata Steel as the head Business Excellence. He has been involved with the Dr. Norton's Balanced Scorecard Collaborative in implementing the Balance Score Card at Tata Steel. He is also a senior assessor for the CII-EXIM award and JRD Quality value award.

Mr. Rakesh Kulshreshtha joined the Company as Director on December 12, 2011. Mr. Kulshreshtha is a gold medalist in metallurgical engineering and has acquired additional qualifications in Industrial Engineering & Business Management and also a Black Belt in Six Sigma. During his 37 years of service in the Steel Industry, he has worked in different capacities in Operations, Marketing International Trade, Production Planning & Control, Raw Materials & Logistics, Management Services, and Total Quality Management & HR. Mr. Kulshreshtha has vast experience in Business Planning, Business Development, Mergers & Acquisitions, Joint Ventures, Information & Technology and Business Excellence. He has been instrumental in taking several new initiatives in SAIL such as Six Sigma, Knowledge Management, implementation of ERP System, Social Accountability Standard (SA 8000) and Balance Score Card. He is recipient of UNIDO fellowship and has been trained in premier Institutions in India and abroad.

Mr. Prem Shankar Shrivastava joined the Company as Director on October 26, 2012. He holds degrees in Bachelor of Technology in Mechanical Engineering and Post Graduate Diploma in Materials Management. Mr. Shrivastava joined Steel Authority of India Limited (SAIL) in 1977 and presently working as Executive Director in the Chairman's Secretariat. During his 36 years of service in SAIL, he has worked in different capacities in Material Management, Inputs & Logistics Management and Production Planning & Control of the Integrated Steel Plant.

CORPORATE GOVERNANCE

The Company has a Non-Executive Chairman and all other Directors except the Managing Director are Non-Executive Directors (NEDs).

None of the Directors on the Board is a Member on more than 10 Board Committees (Audit Committees and Shareholders' Grievance Committees) and a Chairman of more than 5 Committees, across all the Companies in which he or she is a Director.

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

Name	Category	No. of Board Meetings attended during 2012-13	Whether attended AGM held on September 15, 2012	No. of Directorships in other Public Companies # As on 31.03.2013		No. of Committee Positions held in other Public Companies* As on 31.03.2013	
				As Chairman	As Director	As Chairman	As Member
Mr. H. M. Nerurkar (Chairman)	Non-Independent Non-Executive Director	8	No	Nil	2	Nil	Nil
Mr. V. S. N. Murty	- do -	7	Yes	Nil	3	Nil	2
Mr. Rajesh Chintak	- do -	3	No	Nil	4	Nil	2
Mr. Yujiro Ueda	- do -	8	Yes	Nil	Nil	Nil	Nil
Mr. Kotaro Kuroda	- do -	6	Yes	Nil	Nil	Nil	Nil
Mr. Hiroshi Odawara	- do -	8	Yes	Nil	Nil	Nil	Nil
Mr. Kinji Matsushita	- do -	8	Yes	Nil	Nil	Nil	Nil
Mr. Kiyotaka Oshikawa	- do -	8	Yes	Nil	Nil	Nil	Nil
Mr. Rakesh Kulshreshtha	- do -	4	No	Nil	2	Nil	Nil
Mr. P. S. Shrivastava (w.e.f. Oct 26, 2012)	- do -	3	NA	Nil	Nil	Nil	Nil
Dr. A. K. Chattopadhyay Managing Director	Executive Director	8	Yes	Nil	Nil	Nil	Nil
Mr. P. K. Bajaj (Upto April 30, 2012)	Non-Independent Non-Executive Director	-	NA	Nil	Nil	Nil	Nil

Excludes Directorships in Private and Foreign Companies.

* Chairmanship/ Membership of Audit Committee and Shareholders' / Investors' Grievance Committee.

During the year ended 31st March, 2013, Eight Board Meetings were held on 26th April 2012, 15th June 2012, 24th July 2012, 15th September 2012, 26th October 2012, 21st December 2012, 4th February 2013 and 8th March 2013. The gap between any two consecutive meetings did not exceed four months.

3. Audit Committee

The Company has constituted an Audit Committee of Directors under Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee are broadly as follows.

- To review compliance with internal control systems;
- To review the findings of the Internal Auditors relating to various functions of the Company;
- To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/ Internal Auditors;
- To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;
- To make recommendations to the Board on any matter relating to the financial management of the Company, including Statutory & Internal Audit Reports;
- Recommending the appointment of statutory auditors and fixation of their remuneration.

The Audit Committee may also review such matters as considered appropriate by it or referred to it by the Board.

The composition of the Audit Committee and the details of meetings attended by the Directors during the financial year 2012-13 are given below:

Names	Position	Category	No. of Meetings
Mr. V.S.N. Murty	Chairman	Non-Executive Director	5
Mr. Kinji Matsushita	Member	Non-Executive Director	4
Mr. Kiyotaka Oshikawa	Member	Non-Executive Director	5

Mr.V.S.N.Murty, Chairman of the Committee was present at the last Annual General Meeting held on 15th September 2012.

The Audit Committee Meetings are attended by the Executive Vice President & CFO, General Manager (Internal Audit) and representative of Statutory Auditors are invited to the meetings. Other senior executives of the Company attended the meetings as and when required by the Committee. The Senior Company Secretary acts as the Secretary of the Audit Committee.

During the year ended 31st March, 2013, Five Audit Committee Meetings were held on 25th April 2012, 23rd July 2012, 15th September 2012, 26th October 2012 and 4th February 2013.

4. Remuneration & Governance Committee

The Board has constituted a Remuneration & Governance Committee. The broad terms of reference of the Remuneration Committee are as follows:

- Review the performance of the Managing Director and the Whole-time Directors after considering Company's performance.
- Recommend to the Board the remuneration including salary, perquisites and commission to be paid to the Company's Managing Director and the Whole-time Directors.
- Finalize the perquisites packages of the Managing Director and the Whole-time Directors within the overall ceiling fixed by the Board.
- Recommend to the Board, retirement benefits to be paid to the retired Managing Director(s) / Whole time Director(s) under the Retirement Benefits Guidelines adopted by the Board.
- To deal with matters relating to induction of Directors and shareholders' grievances.

During the year ended 31st March 2013, One Meeting of the Remuneration & Governance Committee was held on 26th April 2012. The composition of the Remuneration & Governance Committee and the details of meetings attended by the Directors during the financial year 2012-13 are given below:

Names	Position	Category	No. of Meetings
Mr. H. M. Nerurkar	Chairman	Non-Independent - Non-Executive Director	1
Mr. Yujiro Ueda	Member	Non-Independent - Non-Executive Director	1
Mr. Kutaro Kuroda	Member	Non-Independent - Non-Executive Director	1

Remuneration Policy

The Company while deciding the remuneration package of the senior management members takes into consideration the following items:

- Track Record of the Executives;
- Remuneration packages of managerial talent in different industries in general and in the Refractories Industry in particular;
- Company's Performance.

The annual variable pay of senior managers is linked to performance of the Company in general and their individual performance for the relevant year measured against Key Result Areas, which are aligned to the Company's objectives.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission/ performance linked remuneration (variable component) to Managing Director and the Whole-time Directors. Salary is paid within the range approved by the Shareholders. Annual increments, effective from 1st April each year, are recommended by the Remuneration Committee and are subsequently approved by the Board. The ceiling on perquisites and allowances as a percentage of salary is determined by the Board. Within the prescribed limits, the perquisites package is approved by the Remuneration Committee. Commission is calculated with reference to net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year based on the recommendations of the Remuneration Committee. This is also subject to overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956. In absence or inadequacy of profit, performance linked remuneration is considered within the overall ceiling of Schedule-XIII to the Companies Act, 1956.

The Non-Executive Directors (NEDs) are paid remuneration by way of Commission and Sitting Fees. In terms of shareholders' approval obtained at the Annual General Meeting held on September 15, 2012, the commission is paid at a rate not exceeding 1% per annum of the net profits of the Company (computed in accordance with Section 309(5) of the Companies Act, 1956) for a period of five years commencing from April 01, 2012. The logic for distribution of Commission amongst the NEDs is approved by the Board. The Commission is distributed broadly on the basis of Board Meetings and various Committee Meetings attended by the NEDs.

The Company paid Sitting Fees of ₹ 15,000/- per meeting to its NEDs, for attending Board and Committees Meetings.

Details of remuneration for 2012-13

(a) Non-Whole time Directors

(₹ Lakhs)

S. No.	Name of the Director	Commission *	Sitting Fee
1.	Mr. H. M. Nerurkar	2.64	2.10
2.	Mr. V. S. N. Murty	1.57	1.80
3.	Mr. Rajesh Chintak	0.29	0.45
4.	Mr. Yujiro Ueda	1.37	2.10
5.	Mr. Hiroshi Odawara	0.78	1.05
7.	Mr. Kutaro Kuroda	0.68	1.20
8.	Mr. Kinji Matsushita	1.17	1.80
9.	Mr. Kiyotaka Oshikawa	1.27	1.95
10.	Mr. Rakesh Kulshreshtha	0.39	0.60
11.	Mr. P. K. Bajaj	-	-
12.	Mr. P. S. Shrivastava	0.29	0.45

Note : (a) * Payable in 2013-14.

(b) Amounts indicated against Mr. Yujiro Ueda, Mr. Kutaro Kuroda, Mr. Hiroshi Odawara, Mr. Kinji Matsushita and Mr. Kiyotaka Oshikawa have been paid to Krosaki Harima Corporation, Japan.

(c) Amounts indicated against Mr. P. K. Bajaj, Mr. R. Kulashreshtha and Mr. P. S. Shrivastava have been paid to Steel Authority of India Limited.

(b) Managing Director

Name	Salary (₹ lakhs)	Perquisites & Allowances (₹ Lakhs)	Commission @ (₹ lakhs)	Stock Options
Dr. A. K. Chattopadhyay	37.92	58.33	44.00	Nil

@ Payable in 2013-14.

Other than above, the Non-Executive Directors do not have any other pecuniary relationship or transactions with the Company during 2012-13.

Period of Contract of MD : From 10.05.2010 to 09.05.2013.
 The contract may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof.
 There is no separate provision for payment of severance fees.

5. Other Committees

In addition to the above Committees on Corporate Governance, the Board has also constituted an additional committee known as Committee of Board.

The Committee of Board (COB) was constituted on 10th October, 2003 and its terms of reference amongst its other functions is to periodically review (1) Business and Strategy (2) Financial matters requiring special attention, (3) Long term financial projections and cash flow, (4) Capital expenditure programmes, (5) Organizational Structure. COB shall also periodically review Company's business plans, profit projections, ways and means position etc.

The composition of the COB and details of the meetings attended by the Directors during the financial year 2012-13, are given below:

Names	Position	Category	No. of Meetings
Mr. H. M. Nerurkar	Chairman	Non-Independent Non-Executive Director	5
Mr. Yujiro Ueda	Member	Non-Independent Non-Executive Director	5
Dr. A.K.Chattopadhyay (Managing Director)	Member	Executive Director	5

During the year ended 31st March, 2013, Five COB Meetings were held on 26th April 2012, 23rd July 2012, 15th September 2012, 26th October 2012 and 4th February, 2013.

6. General Body Meetings

(a) Location and time, for last three Annual General Meetings (AGM):

Company's Financial Year	Location	Date & Time
2011-12	Belpahar, Jharsuguda, Orissa – 768 218	15 th September, 2012 at 1.00 PM
2010-11	Belpahar, Jharsuguda, Orissa – 768 218	27 th August, 2011 at 12.00 Noon
2009-10	Belpahar, Jharsuguda, Orissa – 768 218	24 th July, 2010 at 2.30 PM

(b) No Extra-Ordinary General Meeting of shareholders was held during the year.

(c) Special Resolutions passed in previous three Annual General Meetings :

- At the last Annual General Meeting held on 15th September, 2012, Special Resolution for Commission to Directors other than the Managing Director and Whole-time Directors was passed unanimously.
- At the Annual General Meeting held on 27th August, 2011, Special Resolution for Rectification of mistakes in the re-stated Articles of Association of the Company was passed unanimously.
- At the Annual General Meeting held on 24th July, 2010, Special Resolutions for Re-appointment of Dr.A.K.Chattopadhyay as Managing Director and alteration of Articles of Association of the Company were passed unanimously.

7. Other Disclosures

The Board has received disclosures from key managerial personnel relating to financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions, which have potential conflict with the interests of the Company at large.

8. General Shareholder Information

AGM: Date, time & venue - 21st September, 2013 at 1.00 PM
 TRL Krosaki Refractories Limited
 At: Belpahar, Dist: Jharsuguda
 Odisha - 768218

Particulars of Directors seeking appointment / re-appointment are given in the explanatory statement to the Notice of the Annual General Meeting to be held on 21st September, 2013.

Address for correspondence

Sr. Company Secretary,
 TRL Krosaki Refractories Limited
 PO: Belpahar – 768 218
 Dist: Jharsuguda
 Odisha. INDIA

Phone : +91 6645 258417
 Fax : +91 6645 250243
 e-mail : arabinda@trlkrosaki.com

Share Transfer System:

Share Transfers in physical form can be lodged with the Company at the above mentioned address. The transfers are normally processed within 2 weeks from the date of receipt if the documents are complete in all respects. Certain Directors and the Company Secretary are severally empowered to approve transfers.

Distribution of shareholding as on March 31, 2013

Number of Shares Slab	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shares held
1-100	21	19.09	1678	0.01
101-500	24	21.82	8248	0.04
501-1000	16	14.55	15350	0.07
1001-5000	15	13.64	41500	0.20
5001-10000	6	5.45	43500	0.21
10001-100000	20	18.18	601640	2.88
Above 100000	8	7.27	20188084	96.59
Total	110	100	20900000	100

Categories of shareholding as on March 31, 2013

Category of Shareholder	Number of shares held	Percentage of share capital
Foreign Holdings	10659000	51.00
Government Companies	2203150	10.54
FIs, Insurance Companies & Banks	962500	4.61
Other Corporate Bodies	5817354	27.83
Mutual Funds	Nil	Nil
Directors & Relatives	Nil	Nil
Individual & Others	1257996	6.02
Total	20900000	100.00

Top ten shareholders of the Company as on March 31, 2013

Sr.No.	Name of the Shareholders	No. of Shares Held	% of Holding
1	Krosaki Harima Corporation, Japan	10659000	51.00
2	Tata Steel Limited	4239360	20.28
3	Steel Authority of India Limited	2203150	10.54
4	Kalimati Investment Co. Limited	1324504	6.34
5	Life Insurance Corp. of India	962500	4.61
6	Pavankumar Sanwormal	465000	2.22
7	Her Highness Rajmata Gayatri Devi	184570	0.88
8	Mr.Ajay Kumar Kayan	150000	0.72
9	S.M.S.Investment Corp. Pvt. Limited	97490	0.47
10	Man-Made Fibers Pvt. Limited	75000	0.36

Dematerialisation of shares as on March 31, 2013

1,82,22,214 equity shares of the Company representing 87.19% of the Company's Share Capital is dematerialized as on 31st March, 2013.

Unclaimed Dividend-

- All unclaimed /unpaid dividend amounts for the financial year 2004-05, have been transferred to Investor Education & Protection Fund and no claims will lie against the Company or the Fund in respect of the unclaimed amounts so transferred.
- The unclaimed dividend declared in respect of the financial year 2005-06 declared on 26th August 2006, can be claimed by the shareholders by 25th August 2013.

Address for Correspondence : TRL Krosaki Refractories Limited
 PO: Belpahar – 768 218, Dist: Jharsuguda
 Odisha. INDIA
 Phone :+91 6645 258417, Fax :+91 6645 250243
 E-mail : arabinda@trlkrosaki.com

9. Other information to the Shareholders

Dividend History for the last 10 years

Financial Year	Dividend Date	Rate	Financial Year	Dividend Date	Rate
2011-12	15.09.2012	35%	2006-07	29.09.2007	35%
2010-11	06.05.2011	158%	2005-06	26.08.2006	50%
2009-10	24.07.2010	55%	2004-05	27.08.2005	50%
2008-09	05.09.2009	50%	2003-04	28.08.2004	30%
2007-08	02.08.2008	35%	2002-03	02.08.2003	16%

Bank Details

Shareholders holding in the physical form are requested to notify/send the following to the Company to facilitated better servicing:-

- any change in their address / mandate / bank details, and
- particulars of the bank account in which they wish their dividend to be credited, in case have not been furnished earlier.

Shareholders are advised that respective bank details and address as furnished by them or by Depositories to the Company, for shares held in the physical form and in the dematerialised form respectively, will be printed on their dividend warrants as a measure of protection against fraudulent encashment.

Nomination Facility

Shareholders who hold shares in the physical form and wish to make/change a nomination in respect of their shares in the Company, as permitted under Section 109A of the Companies Act, 1956, may submit to the Company in the prescribed Form 2B.

Shares held in Electronic Form

Shareholders holding shares in electronic form may please note that:

- Instruction regarding bank details which they wish to have incorporated in future dividend warrants must be submitted to their Depository Participants (DP). As per the regulations of Depositories, the Company is obliged to print bank details on the dividend warrants, as furnished by the Depository to the Company.
- Instructions already given by them for shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form.
- Instructions regarding change of address, nomination and power of attorney should be given directly to their respective DP.

National – Electronic Clearing Service (NECS) Facility

As per RBI notification, with effect from 1st October, 2009, the remittance of dividend through Electronic Credit Service (ECS) is replaced by National Electronic Clearing Service (NECS). Shareholders were requested by the Company to intimate their Folio No(s), Name and Branch of the Bank in which they wish to receive the dividend, the Bank Account type, Bank Account Number allotted by their banks after implementation of Core Banking Solutions (CBS) and the IFS Code / 9 digit MICR Code Number.

Shareholders who have already intimated the above information to the Depository Participants (DPs) / the Company need not take any further action in this regard.

Shareholders who have not intimated the DPs / the Company are requested to intimate the above information in respect of shares held in electronic form to the DPs and in respect of shares held in physical form, to the Company.

Those Shareholders who do not wish to avail of the NECS facility, are requested to furnish to the DPs/the Company, the name and Branch of the Bank and the Bank Account Number allotted by their banks after implementation of Core Banking Solutions, which will be printed on the warrants.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TRL KROSAKI REFRACTORIES LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of TRL Krosaki Refractories Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

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

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

4. Opinion

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

- (a) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India, in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
- (b) As required by section 227(3) of the Act, we report that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (ii) 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;
 - (iii) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with

- the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) Since the Central Government has not issued any notification as to the

rate at which the cess is to be paid under section 441A of the Companies Act, 1956, nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For N. M. RAIJI & CO.
Chartered Accountants
Firm Registration No : 108296W

VINAY D. BALSE
Partner

Place : Mumbai
Dated : May 09, 2013

Membership No. : 39434

**ANNEXURE TO THE AUDITORS' REPORT
OF TRL KAROSAKI REFRACTORIES LIMITED****(Referred to in Paragraph 5 sub-paragraph 1
of our Report of even date)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) In accordance with the phased programme for verification of fixed assets, certain items of fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial, so as to affect the going concern assumption.
- (ii) (a) Stocks of inventories have been physically verified during the year by the management. The Company has a perpetual inventory system. In our opinion, the frequency of such verification is reasonable. In respect of stocks lying with third parties, related confirmations have been obtained by the Company.
- (b) The procedures for 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) The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book stock were not material in relation to the operations of the Company and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, clause 3(b), (c), (d), (e), (f) and (g) of the Order are not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control systems, commensurate with the size of the Company and nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.
- (v) (a) In our opinion and according to the information and explanations given to us, particulars of contracts or arrangements that need to be entered into the register, in pursuance of Section 301 of the Companies Act, 1956, have been entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, and exceeding the value of rupees five lakhs, in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A, Section 58AA or any other relevant provisions of the Companies Act, 1956, and the rules framed thereunder, with regard to deposits accepted from the public. There have been no proceedings before the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this matter.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts have been made and maintained.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other dues, during the year, with the appropriate authorities.
- (b) According to the information and explanations given to us, and on the basis of our examination of the books of account, no undisputed amounts payable in respect of Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, were in arrears, as at March 31, 2013, for a period of more than six months from the date they became payable.

- (c) According to the information and explanations given to us, following are the dues of Income-tax, Sales-tax, Excise Duty, Holding Tax, Provident Fund and Cess which have not been deposited on account of disputes with the related authorities:

SI No.	Nature of the Statute	Forum where dispute in pending	Financial year to which the matter pertains	Amounts (₹ Lakhs)
1	Central Excise	CESTAT	2003-04 to 2010-11 (April 03 to Sep. 10)	155.31
2	Central Excise	Commissioner(A)	2010-11 to 2011-12 (Oct 10 to Jan 11)	9.62
3	Service Tax	CESTAT	2005-06 to 2008-09	26.85
4	Sales Tax	Hon. High Court of Odisha	1987-88, 1988-89 & 1994-95	150.96
5	Sales Tax	Commissioner	1986-87 to 1988-89, 2005-06, 2006-07 (Jul 06 to Dec 06) & 2007-09 (April 07 to March 09)	210.42
6	Sales Tax	Assistant Commissioner	1990-91, 1994-95, 1995-96, 1997-98 & 2007-08	37.34
Grand Total				590.50

- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the financial year immediately preceding the financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks. The Company does not have any outstanding debentures.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security, by way of pledge of shares, debentures and other securities.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
- (xv) In respect of a Corporate Guarantee given by the Company on behalf of its subsidiary, to a Bank, the terms and conditions thereof are not prejudicial to the interests of the Company.
- (xvi) According to the information and explanations given to us, term loans availed by the Company have been used for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term investments.
- (xviii) To the best of our knowledge and according to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year. As such, no security or charge has been created.
- (xx) The Company has not raised any money during the year by way of public issue.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the year.

For N. M. RAIJI & CO.
Chartered Accountants
Firm Registration No. : 108296W

VINAY D. BALSE
Partner
Membership No. 39434

Place : Mumbai
Dated : May 09, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

	Note	₹	As at 31.03.2012 ₹
(I) EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	01	20,90,00,000	20,90,00,000
(b) Reserves and Surplus	02	<u>252,05,67,185</u>	<u>247,58,32,367</u>
		<u>272,95,67,185</u>	<u>268,48,32,367</u>
(2) Non-Current Liabilities			
(a) Long-term Borrowings	03	49,29,96,664	32,91,45,000
(b) Deferred tax Liabilities (net)		10,86,46,598	14,28,26,414
(c) Long-term Provisions	04	<u>25,52,45,595</u>	<u>20,80,58,855</u>
		<u>85,68,88,857</u>	<u>68,00,30,269</u>
(3) Current Liabilities			
(a) Short-term Borrowings	03	131,76,65,695	130,55,14,301
(b) Trade Payables	05	115,50,39,975	121,53,89,685
(c) Other Current Liabilities	05	42,11,29,757	30,90,89,493
(d) Short-term Provisions	04	<u>13,04,88,466</u>	<u>18,87,09,804</u>
		<u>302,43,23,893</u>	<u>301,87,03,283</u>
TOTAL EQUITY AND LIABILITIES		<u>661,07,79,935</u>	<u>638,35,65,919</u>
(II) ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	06	162,42,88,788	166,70,65,059
(ii) Capital work-in-progress	06	37,83,42,358	14,93,41,193
(iii) Intangible Assets	06	5,57,84,587	6,08,94,085
(iv) Intangible Assets under development	06	<u>78,80,231</u>	<u>77,50,018</u>
		<u>206,62,95,964</u>	<u>188,50,50,355</u>
(b) Non-current Investments	07	33,66,47,325	33,66,47,325
(c) Long-term Loans and Advances	08	<u>11,31,81,013</u>	<u>8,13,07,580</u>
		<u>251,61,24,302</u>	<u>230,30,05,260</u>
(2) Current Assets			
(a) Inventories	10	170,93,98,493	160,53,04,354
(b) Trade Receivables	09	179,64,12,481	190,80,27,821
(c) Cash and Cash Equivalents	11	14,32,23,117	15,91,51,938
(d) Short-term Loans and Advances	08	44,55,07,298	40,80,65,304
(e) Other Current Assets	09	<u>1,14,244</u>	<u>11,242</u>
		<u>409,46,55,633</u>	<u>408,05,60,659</u>
TOTAL ASSETS		<u>661,07,79,935</u>	<u>638,35,65,919</u>
Contingent Liabilities (refer Point No. 2 of Note 18)			
Notes on Balance Sheet and Statement of Profit & Loss	18		

As per our report annexed
 For **N. M. Raiji & Co.**
Chartered Accountants
 Firm Registration No. 108296W

VINAY D. BALSE
Partner
 Membership No. : 39434
 Date : May 9, 2013
 Place : Mumbai

For and on behalf of the Board
H. M. Nerurkar
A. K. Chattopadhyay

Chairman
Managing Director

A. Debta
Sr. Company Secretary

Kolkata, May 8, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note	₹	Previous year Apr'11 to Mar'12 ₹
I REVENUE			
Revenue from Operations	12	924,27,67,313	957,35,12,261
Less: Excise duty recovered on Sales		<u>65,43,70,581</u>	<u>56,59,41,889</u>
		858,83,96,732	900,75,70,372
II Other Income	13	<u>4,61,21,096</u>	<u>6,69,21,333</u>
III Total Revenue (I + II)		863,45,17,828	907,44,91,705
IV EXPENSES			
(a) Raw Materials Consumed	14	323,04,79,400	327,21,86,523
(b) Purchases of finished, semi-finished and other products		156,02,90,596	204,41,48,627
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade		(4,36,65,083)	(2,42,99,255)
(d) Employee Benefit Expenses	15	62,95,52,791	51,71,27,628
(e) Finance Costs	16	22,38,17,391	19,43,58,713
(f) Depreciation		24,81,58,311	23,66,19,786
(g) Other Expenses	17	<u>277,68,35,094</u>	<u>253,00,68,367</u>
		862,54,68,500	877,02,10,389
(h) Less: Expenditure (other than interest) capitalised		<u>(8,75,57,629)</u>	<u>(4,32,79,273)</u>
Total Expenses (IV)		853,79,10,871	872,69,31,116
V Profit before Exceptional and Extraordinary Items and Tax (III - IV)		<u>9,66,06,957</u>	<u>34,75,60,589</u>
VI Exceptional Items		-	-
VII Profit before Extraordinary Items and Tax (V + VI)		<u>9,66,06,957</u>	<u>34,75,60,589</u>
VIII Extraordinary items		-	-
IX Profit before Tax (VII + VIII)		<u>9,66,06,957</u>	<u>34,75,60,589</u>
X Tax Expense :			
(1) Current tax		(6,16,00,000)	(11,27,00,000)
(2) Deferred tax		3,41,79,816	1,06,12,648
(3) Taxation for earlier years		-	(1,10,000)
Total Tax Expense		<u>(2,74,20,184)</u>	<u>(10,21,97,352)</u>
XI Profit after Tax from Continuing Operations (IX - X)		<u>6,91,86,773</u>	<u>24,53,63,237</u>
XII Profit after tax		<u>6,91,86,773</u>	<u>24,53,63,237</u>
Earnings per Equity Share:			
Basic / Diluted		3.31	11.74
Notes on Balance Sheet and Statement of Profit & Loss	18		

As per our report annexed
For **N. M. Raiji & Co.**
Chartered Accountants
Firm Registration No. 108296W

For and on behalf of the Board
H. M. Nerurkar *Chairman*
A. K. Chattopadhyay *Managing Director*

VINAY D. BALSE
Partner
Membership No. : 39434
Date : May 9, 2013
Place : Mumbai

A. Debta
Sr. Company Secretary

Kolkata, May 8, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	₹ Lakhs	Year ended 31.03.2012 ₹ Lakhs
A. Cash Flow from Operating Activities:		
Net Profit before Tax and Extraordinary Items	966.07	3,475.61
Adjustments for :		
Depreciation	2,481.58	2,366.20
Dividend Income	(8.01)	(22.17)
(Profit) / Loss on sale of assets / assets written off	(13.41)	(5.64)
(Profit) / Loss on sale of Investment	-	(447.86)
Interest Income	(33.59)	(44.26)
Interest Expenses	2,238.17	1,943.58
Provision for Wealth Tax	0.90	1.30
	4,665.64	3,791.15
Operating Profit before Working Capital changes	5,631.71	7,266.76
Adjustments for :		
Trade and Other Receivables	525.11	(2,803.87)
Inventories	(1,040.94)	(2,268.64)
Trade Payables and Other Liabilities	(367.18)	2,473.28
	(883.01)	(2,599.23)
Cash Generated from Operations	4,748.70	4,667.53
Direct tax paid (net of refunds)	(694.63)	(1,468.15)
Net Cash from Operating Activities:A	4,054.06	3,199.38
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(4,325.29)	(3,112.41)
Sale of Fixed Assets	44.66	17.68
Net movement in Creditors for Capital Goods	88.56	87.59
Interest Received	32.56	44.31
Dividend Received	8.01	22.17
Sale of Investment	-	470.73
Net Cash used in investing ActivitiesB	(4,151.50)	(2,469.93)
C. Cash Flow from Financing Activities:		
Proceeds from borrowings	37,791.77	43,864.88
Repayment of borrowings	(34,770.69)	(38,035.25)
Interest paid	(2,232.77)	(1,924.01)
Dividend paid	(850.17)	(3,837.90)
Net Cash from Financing ActivitiesC	(61.86)	67.72
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(159.29)	797.17
Cash and Cash equivalents as at 1st April, 2012 (Opening Balance)	1591.52	794.35
Cash and Cash equivalents as at 31st March, 2013 (Closing Balance)	1432.23	1591.52

Note: i) Figures in brackets represent outflows.

ii) Previous year figures have been recast / restated wherever necessary.

As per our report annexed
For **N. M. Raiji & Co.**
Chartered Accountants
Final Registration No. 108296W

VINAY D. BALSE

Partner

Membership No. : 39434

Date : May 9, 2013

Place : Mumbai

For and on behalf of the Board

H. M. Nerurkar

Chairman

A. K. Chattopadhyay

Managing Director

A. Debta

Sr. Company Secretary

Kolkata, May 8, 2013

NOTES FORMING PART OF BALANCE SHEET

NOTE 01 SHARE CAPITAL

Authorised :

2,50,00,000 Equity Shares of ₹ 10 each

As at 31.03.2013
₹

As at 31.03.2012
₹

25,00,00,000

25,00,00,000

25,00,00,000

25,00,00,000

Issued :

2,09,00,000 Equity Shares of ₹ 10 each

20,90,00,000

20,90,00,000

20,90,00,000

20,90,00,000

Subscribed and Paid-up :

2,09,00,000 (2,09,00,000) Equity Shares of ₹ 10 each,
fully paid-up

20,90,00,000

20,90,00,000

Note : Figures in bracket relate to the previous year

Total Share Capital

20,90,00,000

20,90,00,000

Out of the above :

- a) 15,00,000 Shares of ₹ 10 each were allotted as fully paid-up bonus shares by capitalisation of General Reserve in the financial year 1977-78

- b) Reconciliation of Shares

	As at 31.03.2013		As at 01.04.2012	
	Number of Shares	₹	Number of Shares	₹
Equity Shares as at the beginning and end of the year	2,09,00,000	20,90,00,000	2,09,00,000	20,90,00,000

- c) Share holders holding more than 5% shares

Name of the Share holders	As at 31.03.2013		As at 31.03.2012	
	Number of Shares	% of holding	Number of Shares	% of holding
Krosaki Harima Corporation -Japan	1,06,59,000	51.00	1,06,59,000	51.00
Tata Steel Limited	42,39,360	20.28	42,39,360	20.28
Steel Authority of India Limited	22,03,150	10.54	22,03,150	10.54
Kalimati Investment Company Limited	13,24,504	6.34	13,24,504	6.34

NOTE 02 RESERVES AND SURPLUS	As at 31.03.2013 ₹	As at 31.03.2012 ₹
(a) Capital Reserve		
Balance as per last account	76,23,192	76,23,192
(b) Securities Premium Reserve		
Balance as per last account	75,73,04,560	75,73,04,560
(c) General Reserve		
Balance as per last account	135,37,30,232	130,37,30,232
Add: Amount transferred from Statement of Profit and Loss	20,00,000	5,00,00,000
	<u>135,57,30,232</u>	<u>135,37,30,232</u>
(d) Profit and Loss Account :		
Profit after tax	6,91,86,773	24,53,63,237
Add: Statement of Profit and Loss balance brought forward from last year	35,71,74,383	24,68,27,905
	<u>42,63,61,156</u>	<u>49,21,91,142</u>
Less : Appropriations		
(1) Proposed Dividend	2,09,00,000	7,31,50,000
(2) Corporate Dividend Tax	35,51,955	1,18,66,759
(3) Transfer to General Reserve	<u>20,00,000</u>	<u>5,00,00,000</u>
	<u>39,99,09,201</u>	<u>35,71,74,383</u>
Total Reserves and Surplus	<u>252,05,67,185</u>	<u>247,58,32,367</u>

NOTES FORMING PART OF BALANCE SHEET

	As at 31.03.2013				As at 31.03.2012			
	Long Term	Current maturities of Long-term *	Short Term	Total	Long Term	Current maturities of Long-term *	Short Term	Total
	₹	₹	₹	₹	₹	₹	₹	₹
NOTE 03								
BORROWINGS								
A. Secured Borrowings								
(a) Term Loans								
- From Banks								
i) State Bank of India	5,10,00,000	3,40,00,000	-	8,50,00,000	8,50,00,000	3,40,00,000	-	11,90,00,000
Secured by a pari-passu first charge with other lenders on fixed assets, both present and future.								
ii) Mizuho Corporate Bank	39,41,66,664	15,58,33,336	-	55,00,00,000	22,00,00,000	2,00,00,000	-	24,00,00,000
Secured by Corporate Guarantee of M/s Krosaki Harima Corporation, Japan								
(b) Repayable on Demand								
- From Banks	-	-	84,76,65,695	84,76,65,695	-	-	81,37,60,299	81,37,60,299
Total Secured Borrowings	44,51,66,664	18,98,33,336	84,76,65,695	148,26,65,695	30,50,00,000	5,40,00,000	81,37,60,299	117,27,60,299
B. Unsecured Borrowings								
(a) Short Term Loans								
(1) From Banks	-	-	47,00,00,000	47,00,00,000	-	-	49,17,54,002	49,17,54,002
(b) Fixed Deposits	4,78,30,000	1,54,52,000	-	6,32,82,000	2,41,45,000	2,52,38,000	-	4,93,83,000
(c) Interest accrued and due thereon	-	62,952	-	62,952	-	5,785	-	5,785
(d) Other Loans								
(1) Commercial Papers	-	-	-	-	-	-	-	-
Total Unsecured Borrowings	4,78,30,000	1,55,14,952	47,00,00,000	53,33,44,952	2,41,45,000	2,52,43,785	49,17,54,002	54,11,42,787
Total Borrowings	49,29,96,664	20,53,48,288	131,76,65,695	201,60,10,647	32,91,45,000	7,92,43,785	130,55,14,301	171,39,03,086

* Current maturities of long-term borrowings is reported as a part of Other Current Liabilities.

NOTES FORMING PART OF BALANCE SHEET

	As at 31.03.2013			As at 31.03.2012		
	Long Term ₹	Short Term ₹	Total ₹	Long Term ₹	Short Term ₹	Total ₹
NOTE 04						
PROVISIONS						
(a) Provision for Employee Benefits	17,98,15,600	8,54,50,927	26,52,66,527	13,28,52,600	8,33,47,400	21,62,00,000
(b) Provision for Employee Separation Compensation	1,40,80,509	54,15,436	1,94,95,945	1,60,02,738	75,24,017	2,35,26,755
(c) Provision for Tax	–	1,51,70,148	1,51,70,148	–	1,28,21,628	1,28,21,628
(d) Proposed Dividend	–	2,09,00,000	20,900,000	–	7,31,50,000	7,31,50,000
(e) Corporate Dividend Tax	–	35,51,955	3,551,955	–	1,18,66,759	1,18,66,759
(f) Other Provisions	6,13,49,486	–	6,13,49,486	5,92,03,517	–	5,92,03,517
Total Provisions	25,52,45,595	13,04,88,466	38,57,34,061	20,80,58,855	18,87,09,804	39,67,68,659

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
NOTE 05		
TRADE AND OTHER PAYABLES		
Current Liabilities		
I) Trade Payables		
i) Creditors for Supplies / Services	89,64,15,562	98,29,80,719
ii) Creditors for accrued wages and salaries	4,25,36,989	4,04,86,271
iii) Acceptances	21,60,87,424	19,19,22,695
(I) Total Trade Payables	115,50,39,975	121,53,89,685
(II) Other Current Liabilities		
a) Current Maturities of long-term debt	20,52,85,336	7,92,38,000
b) Interest accrued but not due on borrowings	1,25,23,158	1,20,39,932
c) Interest accrued and due on borrowings	62,952	5,785
d) Unpaid Dividends	59,59,589	53,16,454
e) Unpaid Matured Deposits	4,15,000	–
f) Advances received from customers	11,95,24,284	13,74,87,710
g) Creditors for Other Liabilities	7,73,59,438	7,50,01,612
(II) Total Other Current Liabilities	42,11,29,757	30,90,89,493
(III) Total Trade and Other Payables	157,61,69,732	152,44,79,178

NOTE FORMING PART OF BALANCE SHEET

NOTE 6

FIXED ASSETS

Description	Gross Block at cost as at 01.04.2012	Additions	Deductions	Gross Block at cost as at 31.03.2013	Accumulated Depreciation as at 01.04.2012	Depreciation for the year		Total Depreciation up to 31.03.2013	Net Block as at 31.03.2013
	₹	₹	₹	₹	₹	Additions	Deductions	₹	₹
A. TANGIBLE ASSETS									
1. Land	8,93,96,511 (8,08,36,186)	— (85,60,325)	32,173 (—)	8,93,64,338 (8,93,96,511)	— (—)	— (—)	— (—)	— (—)	8,93,64,338 (8,93,96,511)
2. Buildings & Roads	46,45,83,929 (45,90,90,490)	80,917,585 (54,93,439)	— (—)	54,55,01,514 (46,45,83,929)	13,17,60,095 (12,14,08,439)	1,15,59,795 (1,03,51,656)	— (—)	14,33,19,890 (13,17,60,095)	40,21,81,624 (33,28,23,834)
3. Plant & Machinery	317,07,00,097 (297,76,27,906)	6,47,35,967 (19,92,27,051)	3,05,76,472 (61,54,860)	320,48,59,592 (317,07,00,097)	201,40,13,683 (182,60,42,835)	20,58,54,261 (19,31,88,820)	2,93,75,691 (52,17,972)	219,04,92,253 (201,40,13,683)	101,43,67,339 (115,66,86,414)
4. Railway Siding	2,46,80,832 (2,46,80,832)	— (—)	— (—)	2,46,80,832 (2,46,80,832)	1,06,16,598 (95,67,534)	(25,25,668) (10,49,064)	— (—)	80,90,930 (1,06,16,598)	1,65,89,902 (1,40,64,234)
5. Furniture, Fixture	8,06,28,611 (6,87,72,078)	3,88,70,120 (1,18,56,533)	4,74,359 (—)	11,90,24,372 (8,06,28,611)	4,58,03,284 (4,03,19,631)	1,23,65,595 (54,83,653)	4,74,359 (—)	5,76,94,520 (4,58,03,284)	6,13,29,852 (3,48,25,327)
6. Office Equipments	10,76,30,641 (9,75,17,493)	42,05,689 (1,03,97,881)	58,606 (2,84,733)	11,17,77,724 (10,76,30,641)	8,42,50,239 (7,50,52,862)	60,03,288 (94,82,109)	58,608 (284,732)	9,01,94,919 (8,42,50,239)	2,15,82,805 (2,33,80,402)
7. Vehicles	4,62,89,891 (4,31,55,829)	1,21,77,831 (79,53,147)	1,07,39,988 (48,19,085)	4,77,27,734 (4,62,89,891)	3,04,01,554 (2,81,17,102)	73,01,396 (68,36,832)	88,48,144 (45,52,380)	2,88,54,806 (3,04,01,554)	1,88,72,928 (1,58,88,337)
B. INTANGIBLE ASSETS									
1. Patents & Trademarks	1,47,70,383 (1,47,70,383)	— (—)	— (—)	1,47,70,383 (1,47,70,383)	1,47,70,383 (1,47,70,383)	— (—)	— (—)	1,47,70,383 (1,47,70,383)	— (—)
2. Development of Property	4,27,05,000 (—)	— (4,27,05,000)	— (—)	4,27,05,000 (4,27,05,000)	96,69,057 (—)	42,64,650 (96,69,057)	— (—)	1,39,33,707 (96,69,057)	2,87,71,293 (3,30,35,943)
3. Software	2,84,16,737 (—)	24,90,146 (2,84,16,737)	— (—)	3,09,06,883 (2,84,16,737)	5,58,595 (—)	33,34,994 (5,58,595)	— (—)	38,93,589 (5,58,595)	27,013,294 (2,78,58,142)
C. CAPITAL WORK IN PROGRESS									
1. Buildings, Plant and Machinery etc. under erection.	406,98,02,632 (376,64,51,197)	20,33,97,338 (31,46,10,113)	4,18,81,598 (1,12,58,678)	423,13,18,372 (406,98,02,632)	234,18,43,488 (211,52,78,786)	24,81,58,311 (23,66,19,786)	3,87,56,802 (100,55,084)	255,12,44,997 (234,18,43,488)	168,00,73,375 (172,79,59,144)
2. Intangible assets under development	—	—	—	—	—	—	—	—	37,83,42,358 (14,93,41,193)
									78,80,231 (77,50,018)
									206,62,95,964 (188,50,50,355)

Note : Figures in brackets relate to the previous year.

NOTES FORMING PART OF BALANCE SHEET

	No. of equity shares of Face Value of ₹ 10 each fully paid-up unless otherwise specified	As at 31.03.2013 Non-current ₹	As at 31.03.2012 Non-current ₹
NOTE 07			
INVESTMENTS			
A	Trade Investments (At Cost)		
	Equity Shares (Unquoted)		
	1) Investments in Subsidiary Company		
	(1) TRL Asia Private Limited (Face value of SG\$ 1 each)	1,14,34,254	32,88,38,325
			32,88,38,325
	2) Investments in Associate Company		
	(1) Almora Magnesite Limited (Face Value of ₹ 100 each)	77,990	77,99,000
			77,99,000
B	Other than Trade Investments (At Cost)		
	Equity Shares (Quoted)		
	Investments in Other Companies		
	(a) Tata Construction and Projects Limited Less : Provision for permanent diminution in value of investment	1,44,202	18,42,020 (18,42,020)
			18,42,020 (18,42,020)
	(b) HDFC Bank Limited (Face Value of ₹ 2 each)	5,000	10,000
			10,000
	Debentures (Quotation not available)		
	Investments in Other Company		
	Tata Construction and Projects Limited (10% Secured Debentures - Face Value of ₹ 100 each)	8,000	8,00,000
			8,00,000
	Less : Provision for permanent diminution in Value of investment		(8,00,000)
			(8,00,000)
	Total Investments		33,66,47,325
			33,66,47,325
	Quoted Investments:		
	- Cost (Net of provision for diminution)		10,000
			10,000
	- Market Value		31,20,500
			26,00,250
	Unquoted Investments:		
	- Cost (including Quoted Investments in respect of which quotation is not available)		33,66,37,325
			33,66,37,325

NOTES FORMING PART OF BALANCE SHEET

	As at 31.03.2013			As at 31.03.2012		
	Long Term ₹	Short Term ₹	Total ₹	Long Term ₹	Short Term ₹	Total ₹
NOTE 08						
LOANS AND ADVANCES						
(a) Capital Advances	2,01,88,670	-	2,01,88,670	44,72,888	-	44,72,888
(b) Security Deposits	3,18,72,020	-	3,18,72,020	2,59,25,754	-	2,59,25,754
(c) Advance with public bodies	-	26,84,49,624	26,84,49,624	-	25,10,62,032	25,10,62,032
(d) Advance payment of Income-tax (net of provisions)	6,11,20,323	-	6,11,20,323	5,09,08,938	-	5,09,08,938
(e) Other Loans and Advances	-	17,85,39,193	17,85,39,193	-	15,84,84,791	15,84,84,791
Gross Loans and advances	11,31,81,013	44,69,88,817	56,01,69,830	8,13,07,580	40,95,46,823	49,08,54,403
Less : Provision for Bad & Doubtful Loans & Advances						
(a) Other loans and advances	-	14,81,519	14,81,519	-	14,81,519	14,81,519
Total provision for Bad & Doubtful Loans & Advances	-	14,81,519	14,81,519	-	14,81,519	14,81,519
Total Loans And Advances	11,31,81,013	44,55,07,298	55,86,88,311	8,13,07,580	40,80,65,304	48,93,72,884

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
NOTE 09		
TRADE RECEIVABLES AND OTHER ASSETS		
(A) Current Trade Receivable and Other Assets		
(a) Current Trade Receivables		
(1) More than six months	62,23,69,968	32,56,74,785
(2) Others	117,75,07,739	158,31,36,580
Gross Current Trade Receivables	179,98,77,707	190,88,11,365
Less: Provision for bad and doubtful debts	34,65,226	7,83,544
Net Current Trade Receivables	179,64,12,481	190,80,27,821
(b) Other Current Assets		
i) Income accrued on Deposits	1,14,244	11,242
Total Other Current Assets	1,14,244	11,242

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
NOTE 10		
INVENTORIES		
(a) Raw Materials (including purchased raw materials-in-transit at cost)	75,73,80,445	73,37,77,569
(b) Work-in-progress (at cost)	23,07,43,069	18,31,32,102
(c) Finished Goods produced by the company (at lower of cost and net realisable value (including purchased goods-in-transit))	45,50,71,675	50,30,91,896
(d) Stock-in-trade of goods acquired for trading (at lower of cost and net realisable value)	7,26,87,798	2,86,13,461
(e) Stores and Spares (at cost)	12,25,44,099	9,51,98,791
(f) Loose Tools (at cost)	30,19,643	27,56,755
(g) Fuel (at cost)	6,79,51,764	5,87,33,780
Total Inventories	170,93,98,493	160,53,04,354

NOTES FORMING PART OF BALANCE SHEET

NOTE 11	As at 31.03.2013	As at 31.03.2012
	₹	₹
CASH AND CASH EQUIVALENT		
(a) Cash in hand	2,21,447	1,66,409
(b) Cheques, drafts on hand	62,28,147	–
(c) Stamps in hand	–	38,000
(d) Balances with Banks :		
(i) In Current Account	12,95,25,934	15,35,04,075
(ii) In Deposit Account	12,88,000	1,27,000
(iii) for Dividend Payment	59,59,589	53,16,454
Total Cash and Cash Equivalents	14,32,23,117	15,91,51,938

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

NOTE 12	April'12 to March'13	Previous Year
	₹	April'11 to March'12
		₹
REVENUE FROM OPERATIONS		
(a) Sale of Products (including Excise Duty)	872,92,30,936	919,20,09,118
(b) Income from Sale of Services	38,13,29,042	26,58,04,841
(c) Other Operating Income	13,22,07,335	11,56,98,302
Total Revenue from Operations	924,27,67,313	957,35,12,261

NOTE 13

OTHER INCOME

(a) Interest received on sundry advances and deposits (Gross)	33,59,275	44,26,174
(b) Dividend Income	8,01,400	22,16,500
(c) Profit on sale of capital assets	13,41,381	5,64,124
(d) Profit on sale of non-current investments	–	4,47,85,868
(e) Credit Balances / Provisions no longer required written back (Net)	4,06,19,040	1,36,29,554
(f) Provision for Doubtful Debts no longer required written back	–	12,99,113
Total Other Income	4,61,21,096	6,69,21,333

NOTE 14

RAW MATERIAL CONSUMED

Opening Stock	73,37,77,569	57,74,50,969
Add: Purchases	325,40,82,276	342,85,13,123
	398,78,59,845	400,59,64,092
Less: Closing Stock	75,73,80,445	73,37,77,569
Cost of Material Consumed	323,04,79,400	327,21,86,523

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

NOTE 15	April'12 to March'13 ₹	Previous Year April'11 to March'12 ₹
EMPLOYEE BENEFIT EXPENSES		
(1) Salaries and wages, including bonus		
(a) Salaries and Wages, including Bonus	48,75,33,913	42,18,95,175
(b) Employee Separation Compensation	29,80,098	23,56,222
(2) Contribution to Provident and Other Funds	7,90,45,599	4,40,41,730
(3) Staff Welfare Expenses	5,99,93,181	4,88,34,501
Total Employee Benefit Expenses	62,95,52,791	51,71,27,628
 NOTE 16		
FINANCE COSTS		
(a) Interest Expenses		
(1) On Fixed Loans	7,66,76,258	5,80,80,610
(2) On Other Loans	14,58,37,800	13,42,11,436
(b) Other Borrowing Cost	13,03,333	20,66,667
Total Finance Costs	22,38,17,391	19,43,58,713

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

NOTE 17	April'12 to March'13	Previous Year
	₹	₹
OTHER EXPENSES		
(a) Stores and Spares Consumed	16,78,97,220	13,37,25,177
(b) Repairs to Buildings	5,07,19,388	6,27,41,596
(c) Repairs to Machinery	16,39,81,492	16,97,65,513
(d) Fuel Consumed	101,25,37,239	90,06,88,569
(e) Purchase of Power	19,51,51,040	17,96,33,426
(f) Contractors Charges for Refractories Management	25,75,18,486	15,24,34,623
(g) Conversion Charges	1,35,10,568	1,48,86,776
(h) Freight and Handling Charges	48,40,64,171	49,03,93,818
(i) Rent	1,85,10,713	1,62,64,249
(j) Royalty	6,72,406	7,83,828
(k) Rates and Taxes	63,80,467	54,55,178
(l) Insurance Charges	34,14,968	32,88,636
(m) Commission and Discounts	7,33,66,040	7,91,79,520
(n) Provision for Wealth Tax	90,000	1,30,050
(o) Provision for Doubtful Debts and Advances	25,66,104	95,200
(p) Excise Duties (net)	1,27,21,631	1,53,48,751
(q) Exchange (Gain) / Loss (net)	(1,58,87,162)	(1,06,85,580)
(r) Other Expenses	32,96,20,323	31,59,39,037
Total Other Expenses	277,68,35,094	253,00,68,367

Other expenses includes :

Note. 17 (a)- Stores & Spares Consumed - ₹ 16,78,97,220 is exclusive of ₹ 18,95,20,759 (Previous Year : ₹ 20,40,11,071) charged to Repairs to buildings, Repairs to machinery and other accounts.

Note. 17 (b)- Repairs to Buildings - ₹ 5,07,19,388 is exclusive of ₹ 9,24,734 (Previous Year : ₹ 7,52,472) charged to wages, salaries and other revenue accounts.

Note. 17 (c)- Repairs to Machinery - ₹ 16,39,81,492 is exclusive of ₹ 7,25,17,412 (Previous Year : ₹ 6,26,53,083) charged to wages, salaries and other revenue accounts.

	₹	Previous Year
		₹
Note. 17 (m)- Commission and discount include :-		
i) Commission paid to selling agents	7,30,12,256	7,82,02,185
ii) Discounts	3,53,784	9,77,335
Note. 17 (r) - Other Expenses includes :		
a) Fees and out-of-pocket expenses paid to Auditors are as follows :		
i) Services as Auditors (including for audit in terms of Section 44AB of the Income Tax Act, 1961 ₹ 1,62,000; Previous Year ₹ 1,37,875)	17,44,000	16,68,552
ii) Fees for other Services	37,500	1,75,000
iii) Travelling and out-of pocket expenses	3,87,544	4,53,393

NOTE 18

NOTES ON THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

1. ACCOUNTING POLICIES :

Accounts are maintained under the mercantile system of accounting, adopting the historical cost convention.

The Significant accounting policies are:

(i) Revenues :

- a) Sales comprise of sale of goods and services, net of trade discounts.
- b) Export incentives under the Duty Entitlement Pass Book Scheme are recognised on the basis of credits afforded in the pass book.
- c) Bonus claims, linked to operating efficiency of products, are recognised upon their crystallisation.

(ii) Claims :

Claims on underwriters/ carriers towards losses/ damages are accounted when there is certainty that the claim are realisable.

(iii) Research and Development :

Revenue expenditure on Research and Development (R&D) is charged as expenditure of the year in which it is incurred. Capital expenditure on R&D is treated as an addition to fixed assets.

(iv) Retirement Benefits :

- a) Contribution to Provident Fund and Superannuation Fund (applicable to Officers only) is made at a predetermined rate to the Provident Fund Trust / Superannuation Fund Trust and charged to the Statement of Profit and Loss on an accrual basis.
- b) Provision for gratuity liability, accrued leave, post retirement medical benefits and sick leave are made on the basis of actuarial valuation. Pensions to ex-managing directors are made on discounted value.

(v) Employee Separation Scheme :

Compensation to employees who have opted for retirement under the Friendly Departure Scheme of the Company, is charged off in the year in which the employee is relieved from the services of the Company.

(vi) Fixed Assets :

Fixed assets are valued at cost less depreciation.

(vii) Borrowing Costs :

Borrowing costs attributable to the acquisition of fixed assets and incurred up to the point of installation / commissioning of the assets are added to the cost of the respective assets.

(viii) Depreciation :

- a) Depreciation is provided under the straight line method, applying the rates specified in Schedule XIV of the Companies Act, 1956, or based on the estimated life, whichever is higher. With effect from April 1, 2008, assets individually costing upto ₹ 25000/- are fully depreciated in the year of acquisition. The estimated useful life of Motor Cars, Furniture & Fixtures, Fans, Air Conditioners, Refrigerators and Office Equipments is 5 years.
- b) Cost incurred towards development of mines are depreciated over the useful life of the mines or lease period, whichever is less, subject to maximum of 10 years.

(ix) Impairment of Assets :

Impairment is recognized to the extent that the recoverable amount of the assets of a cash generating unit is lower than it's carrying amount; such impairment being charged to the statement of profit and loss in the year in which the impairment occurs.

(x) Foreign Exchange Transactions:

Foreign currency transactions and forward exchange contracts used to hedge foreign currency transactions are initially recognised at the spot rate on the date of the transaction/ contract.

Monetary assets and liabilities relating to foreign currency transactions and forward exchange contracts, remaining unsettled at the end of the year, are translated at the year end rates.

The differences in transactions and realised gains and losses on foreign exchange transactions, are recognised in the Statement of Profit and Loss. Further, in respect of transactions covered by forward exchange contracts, the difference between the contract rate and the spot rate on the date of the transaction is recognised in the Statement of Profit and Loss over the period of the contract.

(xi) Investments :

Investments, being long term investments, are valued at cost less provision for permanent diminution in the value of such investments.

(xii) Inventories :

Raw Materials are carried at lower of cost and net realisable value.

Purchased Raw Materials in transit are carried at cost.

Stores and spare parts are valued at or below cost.

Semi Finished products and Finished products are valued at lower of cost or net realisable value.

Cost of inventories is generally ascertained on the 'weighted average' basis. Finished and semi-finished products are valued on full absorption cost basis.

(xiii) Deferred Tax :

Deferred Tax is accounted for by computing the tax effect of timing differences which arise in one year and reverse in subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable or virtual certainty, as the case may be, that they will be realised in future. Deferred tax assets are reviewed at each balance sheet date for the appropriateness of their respective carrying values.

2 Contingent Liabilities

- a) Contingent Liability in respect of sales tax, income tax, excise duty and service tax demanded but contended as not due and, therefore, not provided in accounts ₹ 472.66 Lakhs (Previous Year : ₹ 515.34 lakhs), ₹ NIL (Previous Year : Nil), ₹ 164.94 lakhs (Previous Year : ₹ 18.40 lakhs) and ₹ 26.85 Lakhs (Previous Year : ₹ 26.85 lakhs) respectively.
 - b) Guarantees amounting to ₹ 15122.33 Lakhs (Previous Year : ₹ 15986.67 Lakhs), include Corporate Guarantee given by the Company to State Bank of India, Shanghai Branch, with respect to term loan and working capital limits sanctioned to TRL-China - ₹ 13,274.80 lakhs (Previous Year : ₹ 12,261.80 lakhs)
 - c) Bills Discounted - ₹ 7,606.29 Lakhs (Previous Year : ₹ 4,529.54 Lakhs).
 - d) Other claims not acknowledged as debts - ₹ 120.41 Lakhs (Previous Year : ₹ 118.91 Lakhs).
- 3 Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advances paid - ₹ 4492.77 Lakhs (Previous Year : ₹ 4025.96 Lakhs).
 - 4 The amount payable within one year under the Friendly Departure Scheme - ₹ 54.15 Lakhs (Previous Year : ₹ 75.24 Lakhs).
 - 5 Exchange difference included in other expenses - ₹ 158.87 Lakhs (Gain) [Previous Year : ₹ 106.86 Lakhs (Gain)]
 - 6 Acceptances include bills discounted with SIDBI by suppliers, on the basis of acceptance of the Company - ₹ 1602.05 Lakhs (Previous Year : ₹ 1425.72 Lakhs).
 - 7 For the purpose of reporting in compliance with Accounting Standard-17 - Segment Reporting, as notified by the companies (Accounting Standard), Rules 2006. the business segment has been considered as the primary segment and the geographic segment has been considered as the secondary segment. The refractories segment being the only business segment, necessary information has already been given in the Balance Sheet and Statement of Profit and Loss. The Company has two geographic segments; domestic and export. Revenue from the geographic segment, based on location of customers is - (a) Domestic : ₹ 74,706.28 Lakhs (Previous Year: ₹ 81,038.37 Lakhs) and (b) Rest of the world : ₹ 17,721.39 Lakhs (Previous Year : ₹ 14,974.38 Lakhs), total - ₹ 92,427.67 lakhs (Previous Year : ₹ 96,012.75 Lakhs).
 - 8 Manufacturing and Other Expenses and depreciation shown in the Statement of Profit & Loss, include ₹ 358.61 Lakhs (Previous Year : ₹ 308.59 Lakhs) and ₹ 43.72 Lakhs (Previous Year : ₹ 42.46 Lakhs), respectively, in respect of Research & Development activities undertaken during the year.
 - 9 The amount due to Micro and Small Enterprises, as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. The total outstanding dues of Micro and Small Enterprises is ₹ 69.26 lakhs (Previous year : ₹ 80.08 lakhs). Since there is no delay in making payment to Micro, Small and Medium Enterprises, no interest is paid, accrued, due, and payable.

	₹ Lakhs	Previous Year ₹ Lakhs
10 Value of Imports (CIF Value):		
(i) Raw Materials	13,487.73	13,610.26
(ii) Finished/Semi Finished Products	4,455.61	6,624.90
(iii) Components and Spares	71.71	152.79
(iv) Capital Goods	-	313.38
Total	<u>18,015.05</u>	<u>20,701.33</u>
11 Raw Materials Consumption		
(i) Magnesite	5499.13	7638.98
(ii) Fused Alumina	3234.02	4409.62
(iii) Tabular Alumina	2802.54	2667.64
(iv) Calcined Bauxite	2028.64	2334.14
(v) Raw Dolomite	2548.11	1883.78
(vi) Quarzite	631.76	1059.02
(vii) Others	15560.59	12728.69
Total	<u>32304.79</u>	<u>32721.87</u>
12 Value of consumption of directly Imported and Indigenously obtained Raw Materials, Stores and Spare parts and the percentage of each to the total consumption :		
	Raw Materials	Stores, spare parts and components
	₹ Lakhs	₹ Lakhs
	%	%
(a) Directly Imported	15,386.27	91.27
	(13,673.47)	(192.95)
(b) Indigenously obtained	16,918.52	3,482.91
	(19,048.40)	(3,184.41)
Total	<u>32,304.79</u>	<u>3,574.18</u>
	<u>(32,721.87)</u>	<u>(3,377.36)</u>
	100	100
	(100)	(100)
	₹ Lakhs	Previous Year ₹ Lakhs
13 Earnings in Foreign Exchange :-		
i) Export of Finished Products (FOB Value) (net of export claims)	15,108.89	14,050.59
ii) Commission	170.57	508.22
iii) Others (Application Services)	1,835.10	277.63
14 Expenditure in Foreign Currency :		
i) Commission	459.27	371.30
ii) Foreign branch expenses	67.82	55.02
iii) Royalty	6.72	7.84
iv) Payable on other accounts	418.59	515.09
Total	<u>952.40</u>	<u>949.25</u>
15 Employee Benefits		
a) In line with the disclosure requirements under Accounting Standard (AS) 15 (revised 2005) on Employee Benefits, as notified by the Companies (Accounting Standard), Rules 2006, the relevant details with respect to employee benefits are given here below:		
b) The Company has recognized, in the statement of profit and loss for the year ended 31.03.2013, an amount of ₹ 269.92 lakhs (Previous year : ₹ 251.06 lakhs) expenses under the defined contribution plans, as given below:		
	₹ Lakhs	Previous Year ₹ Lakhs
Benefit (Contribution to)		
Superannuation Fund	192.65	176.33
Employee Pension Scheme	77.27	74.73
Total	<u>269.92</u>	<u>251.06</u>

c) The Company operates post retirement defined benefit plans as follows:

- a. Funded
 - (i) Post Retirement Gratuity
- b. Unfunded:
 - (i) Post Retirement Medical benefits
 - (ii) Pensions to Directors

d) Details of the Post Retirement Gratuity plan are as follows:

Description	Previous Year	
	₹ Lakhs	₹ Lakhs
1). Reconciliation of opening and closing balances of obligation		
a. Obligation as at the beginning of the year	1,695.36	1,706.25
b. Current Service Cost	80.50	82.33
c. Interest Cost	137.26	129.94
d. Actuarial (gain)/loss	245.50	(59.10)
e. Benefits paid	(198.65)	164.06
f. Obligation as at the end of the year	1,959.97	1,695.36
The defined benefit obligation as at the end of the year is wholly funded by the Company.		
2). Change in Plan Assets (Reconciliation of opening & closing balances)		
a. Fair Value of plan assets as at the beginning of the year	1,787.01	1,611.74
b. Expected return on plan assets	160.99	152.57
c. Actuarial gain/(loss)	-	-
d. Contributions	50.00	186.76
e. Benefits paid	(198.65)	(164.06)
f. Fair Value of plan assets as at the end of the year	1,799.34	1,787.01
3). Reconciliation of fair value of assets and obligations at the end of the year		
a. Fair value of plan assets	1,799.34	1,787.01
b. Present value of obligation	1,959.97	1,695.36
c. Amount recognised in the balance sheet	160.63	(91.65)
4). Expense recognized in the year		
a. Current service cost	80.50	82.33
b. Interest cost	137.26	129.94
c. Expected return on plan assets	(160.99)	(152.57)
d. Actuarial (gain)/loss	245.50	(59.10)
e. Expense recognized for the year	302.27	0.60
The expense is disclosed in the line item – Payments to & Provisions for Employees (Co's Contribution to Provident & Other Funds)		
5). Investment Details		
The full amount has been invested in the Cash Accumulation Scheme of Life Insurance Corporation of India.		
6). Assumptions	31.03.13	31.03.12
a. Discount rate (per annum)	8.00%	8.60%
b. Estimated rate of return on plan assets (per annum)	9.40%	9.40%
c. Rate of escalation in salary (per annum)	5.00%	5.00%

e) Details of non-funded post retirement defined benefit obligations are as follows: Description	₹ Lakhs		Previous Year ₹ Lakhs	
	Medical	Ex-MD Pension	Medical	Ex-MD Pension
1). Reconciliation of opening and closing balances of obligation				
a. Obligation as at the beginning of the year	593.67	332.11	583.02	367.64
b. Current Service Cost	8.54	–	9.20	–
c. Interest Cost	49.69	27.44	45.38	28.57
d. Actuarial (gain)/loss	43.82	117.40	(12.50)	(43.10)
e. Benefits paid	(31.70)	(25.98)	(31.43)	(21.00)
f. Obligation as at the end of the year	664.03	450.97	593.67	332.11
2). Expense recognized in the year				
a. Current service cost	8.54	–	9.20	–
b. Interest cost	49.69	27.44	45.38	28.57
c. Actuarial (gain)/loss	43.82	117.40	(12.50)	(43.10)
d. Expense recognized in the year	102.05	144.84	42.08	(14.53)
The expense amounting to Medical : ₹ 102.05 lakhs (Previous year : ₹ 42.08 lakhs) and Ex-MD Pension : ₹ 144.84 lakhs (Previous year : ₹ 14.53 Lakhs) are disclosed under the line item - Workmen and Staff Welfare Expenses.				
3) Assumptions			Medical 31.03.13	Medical 31.03.12
a. Discount rate (per annum) at the beginning of the year			8.60%	8.00%
b. Discount rate (per annum) at the end of the year			8.00%	8.60%
c. Medical costs inflation rate			5.00%	5.00%
d. Average Medical Cost (₹ /person)			1100	1050
e. Effect of 1% change in health care cost, on				
1% Increase			₹ Lakhs	₹ Lakhs
- aggregate current service and interest cost			66.04	62.51
- closing balance of obligation			87.12	75.75
1% Decrease				
- aggregate current service and interest cost			(50.66)	(46.97)
- closing balance of obligation			(72.10)	(62.99)
f) The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors.				
g) Amounts for the current and previous three years are as follows:			₹ Lakhs	
(i) Gratuity (Funded)	31.03.13	31.03.12	31.03.11	31.03.10
Defined benefit obligation	1,959.97	1,695.37	1,706.25	1,632.67
Plan assets	1,799.35	1,787.01	1,611.73	1,454.12
Surplus / (deficit)	(160.62)	91.65	(94.52)	(178.55)
Experience adjustments on plan assets	–	–	–	9.74
Experience adjustments on plan liabilities	(174.25)	(6.72)	(17.53)	(201.57)
(ii) Post Retirement Medical Benefits	31.03.13	31.03.12	31.03.11	31.03.10
Defined benefit obligation	664.03	593.67	583.02	581.18
Plan assets	–	–	–	–
Surplus / (deficit)	(664.03)	(593.67)	(583.02)	(581.18)
Experience adjustments on plan assets	–	–	–	–
Experience adjustments on plan liabilities	(38.54)	(29.93)	25.27	98.07
The above information has been certified by the actuary and has been relied upon by the Auditors.				

h) Provident Fund

- (a) In keeping with the Guidance on implementing Accounting Standard (AS) 15 (Revised) on Employee Benefits notified by the Companies (Accounting Standards) Rules, 2006, employer established provident fund trusts are treated as Defined Benefit Plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. The interest shortfall, if any, is calculated on the actual basis and provided in the accounts.
- (b) The company has contributed ₹ 217.07 lakhs (Previous year : ₹ 188.76 lakhs) towards provident fund.

16 Related Party Disclosures

List of Related Parties :

RELATED COMPANIES OF TRL KROSAKI REFRACTORIES LIMITED

SI. No.	Related Party	Country
A	Holding Company	
	Krosaki Harima Corporation	Japan
B	i) Subsidiary Company	
	TRL Asia Pte Limited	Singapore
	TRL China Limited	China
	ii) Subsidiary through Krosaki Harima Corporation, Japan	
	1 Krosaki Harima Cera Corporation	Japan
	2 SN Refractory Tokai Co. Ltd.	Japan
	3 Shin-Nippon Thermal Ceramics Corporation	Japan
	4 Higashihama Sangyo Corporation	Japan
	5 Ariake Material Limited	Japan
	6 Krosaki Harima (Shanghai) Enterprise Management Co. Ltd.	China
	7 Wuxi Krosaki Sujia Refractories Co. Ltd.	China
	8 Yingkou Krosaki Refractory Co. Ltd.	China
	9 Wuxi Krosaki Machinery Co. Ltd	China
	10 Shenyang NEU-Krosaki Refractory Co. Ltd	China
	11 Qinhuangdao Shougang Krosaki Refractories Co. Ltd.	China
	12 Beijing Dongzu Xinye Kemao Co. Ltd.	China
	13 Krosaki Amr Refractories, S.A.	Spain
	14 Krosaki Harima Europe B.V.	Netherlands
	15 Krosaki USA Inc.	USA
	16 Krosaki Magnesita Refractories, LLC.	Brazil
C	i) Associate Company	
	1 Almora Magnesite Limited	India
	ii) Associate through Krosaki Harima Corporation, Japan	
	1 Kikutake Sangyo Corporation	Japan
	2 Chugoku Chikuro Corporation	Japan
	3 Maejima Kogyo Corporation	Japan
	4 Godo Ceramics Corporation	Japan
	5 Jinan Xinbao Refractories Co. Ltd.	China
	6 Dandong Harima Refractories Co. Ltd.	China
	7 Yingkou Krosaki Toshin Minerals Co. Ltd	China
	8 Shanghai Baoyejianshe Industrial Furnace Engineering & Technology Co. Ltd.	China
	9 Yingkou Kyushu Refractories Co. Ltd.	China
	10 Australia Krosaki CIC Australia Pty. Ltd.	Australia
	11 IFGL Exports Limited	India

D Promoters holding more than 20%			
Tata Steel Limited		India	
Key Management Personnel :			
Dr. A. K. Chattopadhyay, Whole Time Director			
Relatives of Key Management Personnel :			
Mrs. Supriya Chatterjee			
Mrs. Poulomi Kumar			
Ms. Rituparna Chatterjee			
		Current Year Apr'12 to Mar'13 ₹ lakhs	Previous Year Apr'11 to Mar'12 ₹ lakhs
Transactions with Related Parties			
I)	Purchase of Raw Material and Components		
	Holding Company :	851.68	–
	Subsidiaries :	2,266.80	5,877.01
	Associates :	138.62	103.54
	Promoters holding more than 20%	146.48	45.10
II)	Sales, Services and Other Income		
	Holding Company :	56.60	1,572.24
	Fellow Subsidiaries :	–	87.24
	Associates :	–	58.27
	Subsidiaries :	255.67	258.42
	Promoters holding more than 20%	9,180.58	9,866.29
III)	Receiving of services from		
	Holding Company :	–	16.38
	Promoters holding more than 20%	66.57	46.99
IV)	Rendering of Services to		
	Holding Company :	–	–
	Subsidiaries :	170.57	508.22
	Promoters holding more than 20%	51.48	31.27
V)	Dividend paid		
	Holding Company :	373.07	2,353.94
	Fellow Subsidiaries :	–	–
	Promoters holding more than 20%	148.38	–
VI)	Outstanding balances as at 31st Mar 2012		
	Debtors		
	Holding Company :	15.41	28.43
	Subsidiaries :	1,455.14	1,321.05
	Fellow Subsidiaries :	–	274.11
	Associates :	–	52.91
	Promoters holding more than 20%	2,101.51	2,253.36
VII)	Loans and Advances Given		
	Holding Company :	–	–
	Associates :	–	–
	Promoters holding more than 20%	206.12	31.34
VIII)	Advance from Customer		
	Holding Company :	3.75	–
	Fellow Subsidiaries :	–	–
	Promoters holding more than 20%	–	1,316.66
IX)	Creditors		
	Holding Company :	530.01	–
	Subsidiaries :	243.90	526.76
	Associates :	30.88	27.28
	Promoters holding more than 20%	88.07	31.38
X)	Key Management Personnel		
	Remuneration paid :		
	Dr. A. K. Chattopadhyay	141.37	130.43

*All transactions pertaining to former holding company and former associates and fellow subsidiaries, have been shown upto June 2, 2011 i.e the date on which they ceased to be the holding company, associates and fellow subsidiaries.

17 Earnings per Share (EPS)

EPS is calculated by dividing the profit attributable to the equity shareholders by the average number of shares outstanding during the year. The basic and diluted earnings per share has been calculated below :

		Current Year	Previous Year
a) Profit after Tax (in lakhs)	₹	691.87	2,453.63
b) Profit attributable to Ordinary Share Holders	₹	691.87	2,453.63
c) No of ordinary Shares of Basic EPS (in lakhs)	Nos	209.00	209.00
d) Nominal Value per share	₹	10.00	10.00
e) Basic Earning per Ordinary Share	₹	3.31	11.74

18 Major Components of Deferred Tax Assets and Deferred Tax Liabilities

		Current Year	Previous year
		₹ Lakhs	₹ Lakhs
i) Deferred Tax Assets			
a) Tax on expenditure allowed on payment basis U/S 43B of the Income Tax Act 1961. ("the Act")		425.65	298.10
b) In respect of unpaid royalty U/s 40(a) of the Act.		-	0.12
c) In respect of provision for doubtful debts and advances U/s 36(2) of the Act		16.81	7.34
(d) Tax on difference between the amount charged in the books in respect of Early Retirement Compensation and the deduction allowed in respect thereof under the Act.		140.96	6.74
		<u>583.42</u>	<u>312.30</u>
ii) Deferred Tax Liabilities			
On the timing difference between Book Depreciation and Income Tax Depreciation		1,669.89	1,740.56
Net Deferred Tax Liability		<u>1,086.47</u>	<u>1,428.26</u>

19 Figures in respect of the previous year have been recast to correspond to groupings of the current year.

As per our report annexed

For and on behalf of the Board

For **N. M. Raiji & Co.**
Chartered Accountants
Firm Registration No. 108296W

H. M. Nerurkar *Chairman*
A. K. Chattopadhyay *Managing Director*

VINAY D. BALSE
Partner
Membership No. : 39434

A. Debta
Sr. Company Secretary

Date : May 9, 2013
Place : Mumbai

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF TRL KROSAKI REFRACTORIES LIMITED

We have audited the accompanying consolidated financial statements of TRL Krosaki Refractories Limited ("the Company") and its subsidiaries, which comprises the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

1. Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flow of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

2. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

3. (i) We did not audit the consolidated financial statements of the subsidiary, whose consolidated financial statements reflect total assets (net) of Rs. 3106.54 lakhs as at 31st March, 2013, total revenues of Rs. 14659.73 lakhs and net cash inflows amounting to Rs. 30.45 lakhs for the year then ended. These Consolidated financial

statements have been certified by the Management.

- (ii) We did not audit the accounts of the associate which reflect the Group's Share of Loss (net) for the year Rs. 13.95 lakhs. The financial statements of the associate have been certified by the Management.
- (iii) The Financial Statements of a subsidiary's subsidiary, whose financial statements reflect total assets (net) of Rs. 3086.50 lakhs as at 31st March, 2013, total revenues of Rs. 14659.82 lakhs and net cash inflows amounting to Rs. 31.58 lakhs for the year then ended, have been audited by another auditor, whose report has been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the subsidiary's subsidiary, is based solely on his report.

4. Opinion

- (i) We report that the Consolidated Financial Statements have been prepared in accordance with the requirements of Accounting Standards (AS) 21 - Consolidated Financial Statements and AS 23, as notified by the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate audited / unaudited financial statements of the Company, its subsidiary and associates, included in the Consolidated Financial Statements, referred to in paragraph 3 above.
- (ii) In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For N. M. RAIJI & CO.
Chartered Accountants
Firm Registration No. 108296W

VINAY D. BALSE
Partner
Membership No. : 39434

Place : Mumbai
Dated : May 9, 2013

TRL KROSAKI REFRACTORIES LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

	Note	₹	As at 31.03.2012 ₹
(I) EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	01	20,90,00,000	20,90,00,000
(b) Reserves and Surplus	02	<u>243,40,05,939</u>	<u>243,23,69,585</u>
		264,30,05,939	264,13,69,585
(2) Minority Interest		3,32,20,631	3,84,34,314
(3) Non-Current Liabilities			
(a) Long-term Borrowings	03	66,29,54,075	58,52,33,899
(b) Deferred tax Liabilities (net)		10,86,46,598	14,28,26,413
(c) Long-term Provisions	04	<u>25,52,45,595</u>	<u>20,80,58,855</u>
		102,68,46,268	93,61,19,167
(4) Current Liabilities			
(a) Short-term Borrowings	03	170,24,41,295	164,47,73,501
(b) Trade Payables	05	158,00,43,076	159,44,88,822
(c) Other Current Liabilities	05	54,66,54,247	43,17,29,993
(d) Short-term Provisions	04	<u>13,04,88,466</u>	<u>18,87,09,804</u>
		395,96,27,084	385,97,02,120
TOTAL EQUITY AND LIABILITIES		766,26,99,922	747,56,25,186
(II) ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	06	249,91,59,444	256,12,30,683
(ii) Capital work-in-progress	06	37,94,88,307	15,02,86,603
(iii) Intangible Assets	06	5,57,84,587	6,08,94,085
(iv) Intangible assets under development	06	<u>78,80,231</u>	<u>77,50,018</u>
		294,23,12,569	278,01,61,389
(b) Non-current Investments	07	1,19,27,611	1,33,22,644
(c) Long-term Loans and Advances	08	<u>11,33,42,059</u>	<u>8,15,44,194</u>
		306,75,82,239	287,50,28,227
(2) Current Assets			
(a) Inventories	10	195,47,12,388	190,50,60,770
(b) Trade Receivables	09	200,83,71,026	209,42,58,632
(c) Cash and Cash Equivalents	11	16,55,79,524	17,84,62,950
(d) Short-term Loans and Advances	08	46,63,40,501	42,28,03,365
(e) Other Current Assets	09	<u>1,14,244</u>	<u>11,242</u>
		459,51,17,683	460,05,96,959
TOTAL ASSETS		766,26,99,922	747,56,25,186

Notes to Consolidated Balance Sheet and Statement of Profit and Loss.

17

As per our report annexed

For **N. M. Raiji & Co.**

Chartered Accountants

Firm Registration No. 108296W

VINAY D. BALSE

Partner

Membership No. : 39434

Date : May 09, 2013

Place : Mumbai

For and on behalf of the Board

H. M. Nerurkar

Chairman

A. K. Chattopadhyay

Managing Director

A. Debta

Sr. Company Secretary

Kolkata, May 8, 2013

TRL KROSAKI REFRACTORIES LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note	₹	Apr'11 to Mar'12 ₹
I REVENUE			
Revenue from Operations	12	1069,44,19,129	1081,17,04,136
Less: Excise duty recovered on Sales		<u>88,58,06,444</u>	<u>81,38,34,051</u>
		980,86,12,685	999,78,70,085
II Other Income	13	4,61,21,332	6,69,21,683
III Total Revenue (I+II)		985,47,34,017	1006,47,91,768
IV EXPENSES			
(a) Raw Materials Consumed		400,24,99,387	441,88,38,072
(b) Purchases of finished, semi-finished and other products		145,28,38,644	143,14,45,043
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		1,96,41,639	(47,99,714)
(d) Employee Benefits Expenses	14	72,05,27,954	60,24,49,960
(e) Finance Costs	15	27,81,17,934	23,82,51,456
(f) Depreciation		33,89,28,282	31,81,40,231
(g) Other Expenses	16	<u>310,89,75,824</u>	<u>292,07,17,694</u>
		992,15,29,664	992,50,42,742
(h) Less: Expenditure (other than interest) capitalised.		<u>8,75,57,629</u>	<u>4,32,79,273</u>
Total Expenses (IV)		983,39,72,035	988,17,63,469
V Profit before Exceptional and Extraordinary Items and tax (III- IV)		2,07,61,982	18,30,28,299
VI Exceptional and Extraordinary Items		-	-
VII Profit before tax (V + VI)		2,07,61,982	18,30,28,299
VIII Tax Expense			
(1) Current tax		(6,16,00,000)	(11,27,00,000)
(2) Deferred tax		3,41,79,816	1,06,12,648
(3) Taxation for earlier years		-	(110,000)
Total Tax Expense (VIII)		(2,74,20,184)	(10,21,97,352)
IX Profit after tax from Continuing Operation (VII+VIII)		(66,58,202)	8,08,30,947
X Share of profit of associate		(13,95,033)	16,97,396
XI Minority Interest		(87,04,549)	(2,06,25,819)
XII Profit for the period (IX+X-XI)		6,51,314	10,31,54,162
XIII Earnings per equity share:			
Basic / Diluted		0.03	4.94

Notes to Consolidated Balance Sheet and Statement of Profit and Loss.

17

As per our report annexed

For **N. M. Raiji & Co.**

Chartered Accountants

Firm Registration No. 108296W

For and on behalf of the Board

H. M. Nerurkar

Chairman

A. K. Chattopadhyay

Managing Director

VINAY D. BALSE

Partner

Membership No. : 39434

Date : May 9, 2013

Place : Mumbai

A. Debta

Sr. Company Secretary

Kolkata, May 8, 2013

TRL KROSAKI REFRACTORIES LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

		Year ended 31.03.2012
	₹	₹
A. Cash Flow from Operating activities:		
Profit before taxes, minority interest & share of profits of associates	2,07,61,982	18,30,28,300
<i>Adjustments for:</i>		
Depreciation and amortisation expenses	33,89,28,282	31,81,40,230
Dividend Income	(8,01,400)	(22,16,500)
(Profit)/Loss on sale of non-current investments	—	(4,47,85,868)
(Profit) / Loss on sale of assets	(13,41,381)	(5,64,124)
Interest Income	(33,59,511)	(44,26,524)
Interest Expenses	27,81,17,934	23,82,51,456
Foreign exchange (Gain)/Loss on Consolidation	5,64,68,199	7,21,56,089
Provision for Wealth Tax	90,000	1,30,050
Operating profit before working capital changes	68,88,64,105	75,97,13,109
<i>Adjustments for:</i>		
Trade and other Receivables	2,07,63,990	(29,25,15,488)
Inventories	(4,96,51,618)	(29,28,33,614)
Trade Payables and Other Liabilities	2,18,78,906	43,82,02,422
Cash Generated from Operations	68,18,55,383	61,25,66,429
Direct tax paid (net of refunds)	(6,95,92,865)	(14,84,49,965)
Cash Flow before Extraordinary Items	61,22,62,518	46,41,16,464
Net Cash from Operating Activities.....A	61,22,62,518	46,41,16,464
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(53,17,44,596)	(62,98,87,450)
Sale of Fixed Assets	44,66,178	17,67,716
Net movement in creditors for Capital Goods	88,55,980	8,759,000
Interest Received	32,56,509	44,31,482
Dividend Received	8,01,400	22,16,500
Sale of Investments	—	4,70,73,138
Net cash from Investing Activities B	(51,43,64,529)	(56,56,39,614)
C. Cash Flow from Financing activities:		
Proceeds from borrowings	382,13,49,401	303,39,46,627
Repayment of borrowings	(356,95,36,516)	(225,53,41,824)
Interest Paid	(27,75,77,541)	(23,62,94,932)
Dividend Paid	(8,50,16,759)	(38,37,89,940)
Net Cash from Financing Activities C	(11,07,81,415)	15,85,19,931
Net increase or decrease in cash or cash equivalents (A+B+C)	(1,28,83,426)	5,69,96,781
Cash & Cash equivalents as at 1st April, 2012	17,84,62,950	12,14,66,169
Cash & Cash equivalents as at 31st March, 2013	16,55,79,524	17,84,62,950

As per our report annexed

For **N. M. Raiji & Co.**

Chartered Accountants

Firm Registration No. 108296W

VINAY D. BALSE

Partner

Membership No. : 39434

Date : May 9, 2013

Place : Mumbai

For and on behalf of the Board

H. M. Nerurkar

Chairman

A. K. Chattopadhyay

Managing Director

A. Debta

Sr. Company Secretary

Kolkata, May 8, 2013

TRL KROSAKI REFRACTORIES LIMITED AND ITS SUBSIDIARIES

NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
NOTE 01 : SHARE CAPITAL		
AUTHORISED :		
2,50,00,000 Equity Shares of ₹ 10 each	25,00,00,000	25,00,00,000
	25,00,00,000	25,00,00,000
ISSUED :		
2,09,00,000 Equity Shares of ₹ 10 each	20,90,00,000	20,90,00,000
	20,90,00,000	20,90,00,000
SUBSCRIBED :		
2,09,00,000 (2,09,00,000) Equity Shares of ₹ 10 each, fully paid-up	20,90,00,000	20,90,00,000
<i>Note : Figures in bracket relate to the previous year</i>		
Total Share Capital	20,90,00,000	20,90,00,000

Out of the above :

- a) 15,00,000 Shares of ₹ 10 each were allotted as fully paid-up bonus shares by capitalisation of General Reserve in the financial year 1977-78
- b) Reconciliation of Shares

Particulars	As at March 2013		As at 1st April 2012	
	Number of Shares	Rs	Number of Shares	Rs
Equity Shares as at the beginning and end of the year	2,09,00,000	20,90,00,000	2,09,00,000	20,90,00,000

- c) Share holders holding more than 5% shares

Particulars	As at March 2013		As at March 2012	
	No. of shares held	% of holding	No. of Shares	% of holding
Krosaki Harima Corporation	1,06,59,000	51.00	1,06,59,000	51.00
Tata Steel Limited	42,39,360	20.28	42,39,360	20.28
Steel Authority of India	22,03,150	10.54	22,03,150	10.54
Kalimati Investment Company Limited	13,24,504	6.34	13,24,504	6.34

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
NOTE 02 : RESERVES AND SURPLUS		
(a) Reserves representing unrealised gains (losses)		
Foreign Currency Translation Reserve	11,19,66,563	8,65,29,568
(b) Other Consolidated Reserves		
(1) Capital Reserve		
Balance as per last account	76,23,192	76,23,192
(2) Securities Premium Reserve		
Balance as per last account	75,73,04,560	75,73,04,560
(3) General Reserve		
Balance as per last account	135,53,70,908	130,53,70,908
<i>Add: Amount transferred from Statement of Profit & Loss</i>	20,00,000	5,00,00,000
	135,73,70,908	135,53,70,908

TRL KROSAKI REFRACTORIES LIMITED AND ITS SUBSIDIARIES

NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET

NOTE 02 : RESERVES AND SURPLUS (Contd....)	As at 31.03.2013 ₹	As at 31.03.2012 ₹
(c) Statement of Profit & Loss		
Profit after tax	6,51,314	10,31,54,163
Add: Statement of Profit and Loss balance brought forward from last year	22,55,41,357	25,74,03,953
	22,61,92,671	36,05,58,116
Less : Appropriation		
(i) Proposed Dividends	2,09,00,000	7,31,50,000
(ii) Corporate Dividend Tax	35,51,955	1,18,66,759
(iii) Transfers to General Reserve	20,00,000	5,00,00,000
	19,97,40,716	22,55,41,357
Total Reserves and Surplus	243,40,05,939	243,23,69,585

NOTE 03 : BORROWINGS

	As at 31.03.2013				As at 31.03.2012			
	Long Term	Current maturities of Long-term *	Short Term	Total	Long Term	Current maturities of Long-term *	Short Term	Total
	₹	₹	₹	₹	₹	₹	₹	₹
A. Secured Borrowings								
(a) Term Loans								
i) From Banks	61,51,24,075	29,69,67,150	-	91,20,91,225	56,10,88,899	17,07,56,235	-	73,18,45,134
ii) Interest accrued and due on borrowings	-	10,17,042	-	10,17,042	-	-	-	-
(b) Repayable on Demand								
From Banks	-	-	123,24,41,295	123,24,41,295	-	-	115,30,19,499	115,30,19,499
Total Secured Borrowings	61,51,24,075	29,79,84,192	123,24,41,295	214,55,49,562	56,10,88,899	17,07,56,235	115,30,19,499	188,48,64,633
B. Unsecured Borrowings								
(a) Term Loans								
From Banks	-	-	47,00,00,000	47,00,00,000	-	-	49,17,54,002	49,17,54,002
(b) Fixed Deposits	4,78,30,000	1,54,52,000	-	6,32,82,000	2,41,45,000	2,52,38,000	-	4,93,83,000
(c) Interest accrued and due on fixed deposits	-	6,22,613	-	622,613	-	5,785	-	5,785
(d) Other Loans								
Commercial Papers	-	-	-	-	-	-	-	-
Total Unsecured Borrowings	4,78,30,000	1,60,74,613	47,00,00,000	53,39,04,613	2,41,45,000	2,52,43,785	49,17,54,002	54,11,42,787
Total Borrowings	66,29,54,075	31,40,58,805	170,24,41,295	267,94,54,175	58,52,33,899	19,60,00,020	164,47,73,501	242,60,07,420

* Current maturities of long-term borrowings is reported as a part of Other Current Liabilities.

TRL KROSAKI REFRACTORIES LIMITED AND ITS SUBSIDIARIES

NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET

NOTE 04 : PROVISIONS

	As at 31.03.2013			As at 31.03.2012		
	Long Term ₹	Short Term ₹	Total ₹	Long Term ₹	Short Term ₹	Total ₹
(a) Provision for Employee Benefits	17,98,15,600	8,54,50,927	26,52,66,527	13,28,52,600	8,33,47,400	21,62,00,000
(1) Post-employment Defined Benefits				13,28,52,600	8,33,47,400	21,62,00,000
(i) Retiring Gratuity	1,60,63,000	-	1,60,63,000	(91,64,000)	-	(91,64,000)
(ii) Pension Obligations	4,30,36,000	20,61,000	4,50,97,000	3,11,46,000	20,65,000	3,32,11,000
(iii) Post retirement medical benefits	6,33,70,600	30,32,400	6,64,03,000	5,63,33,600	30,32,400	5,93,66,000
(iv) Other employment benefits	5,73,46,000	8,03,57,527	13,77,03,527	5,45,37,000	7,82,50,000	13,27,87,000
(2) Long-term Employee Benefits	-	-	-	-	-	-
(b) Provision for Employee Separation Compensation	1,40,80,509	54,15,436	1,94,95,945	1,60,02,738	75,24,017	2,35,26,755
(c) Provision for Tax	-	1,51,70,148	1,51,70,148	-	1,28,21,628	1,28,21,628
(d) Proposed Dividend	-	2,09,00,000	20,900,000	-	7,31,50,000	7,31,50,000
(e) Corporate Dividend Tax	-	35,51,955	35,51,955	-	1,18,66,759	1,18,66,759
(f) Other Provisions	6,13,49,486	-	6,13,49,486	5,92,03,517	-	5,92,03,517
Total Provisions	25,52,45,595	13,04,88,466	38,57,34,061	20,80,58,855	18,87,09,804	39,67,68,659

NOTE 05 : TRADE AND OTHER PAYABLES

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
Current Liabilities		
(I) Trade Payables		
(1) Creditors for Supplies / Services	131,57,73,804	136,07,23,620
(2) Creditors for accrued wages and salaries	4,81,81,848	4,18,42,507
(3) Acceptances	21,60,87,424	19,19,22,695
(I) Total Trade Payables	158,00,43,076	159,44,88,822
(II) Other Current Liabilities		
(a) Current Maturities of long-term debt	31,24,19,150	19,59,94,235
(b) Interest accrued but not due on borrowings	1,25,23,158	1,20,39,932
(c) Interest accrued and due on borrowings	62,952	5,785
(d) Unpaid Dividends	59,59,589	53,16,454
(e) Unpaid Matured Deposits	4,15,000	-
(f) Advances received from customers	11,95,24,284	13,74,87,710
(g) Creditors for Other Liabilities	9,57,50,114	8,08,85,877
(II) Total Other Current Liabilities	54,66,54,247	43,17,29,993
(III) Total Trade and Other Payables	212,66,97,323	202,62,18,815

TRL KROSAKI REFRACTORIES LIMITED AND ITS SUBSIDIARIES
NOTE FORMING PART OF CONSOLIDATED BALANCE SHEET

NOTE 06 : FIXED ASSETS

Description	Gross Block at cost as at 01.04.2012		Additions		Deductions		Exchange Difference on Consolidation		Gross Block at cost as at 31.03.2013		Depreciation for the year		Exchange difference on Consolidation		Total Depreciation up to 31.03.2013		Net Block as at 31.03.2013		
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
A. TANGIBLE ASSETS																			
1. Freehold Land	8,93,96,511 (8,08,36,186)	-	32,173	(85,60,325)	-	-	8,93,64,338 (8,93,96,511)	-	-	-	-	-	-	-	-	-	-	-	8,93,64,338 (89,396,511)
2. Leasehold Land	5,43,63,032 (4,58,11,097)	-	-	-	44,90,994 (85,51,935)	-	5,88,54,026 (5,43,63,032)	11,29,606 (9,99,486)	-	-	-	5,85,537 (9,44,361)	82,60,659 (65,45,516)	82,60,659 (47,817,516)	5,05,93,367 (47,817,516)				5,05,93,367 (47,817,516)
3. Buildings & Roads	93,98,22,029 (82,88,74,114)	80,956,937 (4,19,17,373)	-	-	3,92,59,972 (6,90,30,542)	-	106,00,38,938 (93,98,22,029)	19,76,90,237 (15,86,34,661)	3,62,20,419 (3,03,95,245)	-	-	64,24,782 (86,60,311)	24,03,35,438 (19,76,90,237)	24,03,35,438 (742,131,792)	81,97,03,500 (742,131,792)				81,97,03,500 (742,131,792)
4. Plant & Machinery	381,56,14,549 (343,06,85,844)	6,58,19,740 (30,65,07,514)	3,05,76,472 (61,54,860)	5,32,77,139 (8,45,76,051)	5,32,77,139 (8,45,76,051)	-	390,41,34,956 (381,56,14,549)	222,73,49,592 (195,17,00,340)	26,96,27,046 (25,23,88,759)	2,93,75,691 (52,17,973)	2,01,53,612 (2,85,08,466)	248,77,54,559 (222,73,49,592)	248,77,54,559 (1,588,264,957)	141,63,80,397 (1,588,264,957)					141,63,80,397 (1,588,264,957)
5. Railway Siding	2,46,80,832 (2,46,80,832)	-	-	-	-	-	2,46,80,832 (2,46,80,832)	1,06,16,597 (95,67,534)	(25,25,668) (10,49,063)	-	-	80,90,929 (1,06,16,597)	80,90,929 (1,06,16,597)	1,65,89,903 (14,064,235)					1,65,89,903 (14,064,235)
6. Furniture, Fixture	8,14,08,503 (6,94,22,410)	3,88,70,120 (118,56,532)	4,74,359	64,429	64,429	-	11,98,68,693 (8,14,08,503)	4,61,93,230 (4,06,44,662)	1,23,65,595 (54,83,653)	4,74,359	32,214 (64,915)	5,81,16,680 (4,61,93,230)	5,81,16,680 (35,215,273)	6,17,52,013 (35,215,273)					6,17,52,013 (35,215,273)
7. Office Equipment's	10,90,58,834 (9,86,32,913)	42,90,077 (1,05,10,588)	58,606	1,17,985	1,17,985	-	11,34,08,290 (10,90,58,834)	8,50,93,814 (7,56,88,225)	60,90,538 (95,90,439)	58,606	73,150 (119,883)	9,11,98,895 (8,50,93,814)	9,11,98,895 (23,965,020)	2,22,09,395 (23,965,020)					2,22,09,395 (23,965,020)
8. Vehicles	5,35,20,248 (4,92,48,767)	1,21,77,831 (79,53,147)	1,07,39,988 (48,19,085)	5,97,311 (11,37,419)	5,97,311 (11,37,419)	-	5,55,55,402 (5,35,20,248)	3,31,44,869 (2,93,32,134)	84,21,102 (80,35,934)	88,48,144 (45,52,380)	2,71,044 (329,181)	3,29,88,871 (3,31,44,869)	3,29,88,871 (20,375,379)	2,25,66,531 (20,375,379)					2,25,66,531 (20,375,379)
Total Tangible Assets	516,78,64,538 (462,81,92,163)	20,21,14,705 (38,73,05,479)	4,18,81,598 (112,58,678)	9,78,07,830 (16,36,25,574)	9,78,07,830 (16,36,25,574)	4,18,81,598 (112,58,678)	542,59,05,475 (516,78,64,538)	260,66,33,855 (227,01,49,245)	33,13,28,638 (30,79,12,579)	3,87,56,801 (100,55,086)	2,75,40,339 (386,27,117)	292,67,46,031 (260,66,33,855)	292,67,46,031 (260,66,33,855)	249,91,59,444 (256,12,30,683)					249,91,59,444 (256,12,30,683)
B. INTANGIBLE ASSETS																			
1. Patents & Trademarks	1,47,70,383 (1,47,70,383)	-	-	-	-	-	1,47,70,383 (1,47,70,383)	1,47,70,383 (1,47,70,383)	-	-	-	-	1,47,70,383 (1,47,70,383)	-	-	-	-	-	-
2. Development of Property	4,27,05,000	-	-	-	-	-	4,27,05,000	96,69,057	4,264,650	-	-	1,39,33,707	1,39,33,707	2,87,71,293					2,87,71,293
3. Software	2,84,16,737 (-)	24,90,146 (2,84,16,737)	-	(4,27,05,000)	-	-	4,27,05,000 (2,84,16,737)	5,58,595 (-)	33,34,994 (5,58,595)	-	-	96,69,057 (-)	96,69,057 (-)	3,30,35,943 (-)					3,30,35,943 (-)
Total Intangible Assets	8,58,92,120 (1,47,70,383)	24,90,146 (71,121,737)	-	9,78,07,830 (16,36,25,574)	9,78,07,830 (16,36,25,574)	-	8,83,82,266 (8,58,92,120)	2,49,98,035 (1,47,70,383)	75,99,644 (102,27,652)	-	3,87,56,801 (100,55,086)	3,25,97,679 (2,49,98,035)	3,25,97,679 (2,49,98,035)	5,57,84,587 (6,08,94,085)					5,57,84,587 (6,08,94,085)
Total (A+B)	525,37,56,658 (464,29,62,546)	20,46,04,851 (45,84,27,216)	4,18,81,598 (1,12,58,678)	9,78,07,830 (16,36,25,574)	9,78,07,830 (16,36,25,574)	4,18,81,598 (1,12,58,678)	551,42,87,741 (525,37,56,658)	263,16,31,890 (228,49,19,628)	33,89,28,282 (31,81,40,231)	3,87,56,801 (100,55,086)	2,75,40,339 (3,86,27,117)	295,93,43,710 (263,16,31,890)	295,93,43,710 (263,16,31,890)	255,49,44,031 (262,21,24,766)					255,49,44,031 (262,21,24,766)
C. CAPITAL WORK IN PROGRESS																			
1. Buildings, Plant and Machinery etc. under erection.																			
2. Intangible assets under development																			
Total Assets																			

Note : Figures in brackets relate to the previous year.

TRL KROSAKI REFRACTORIES LIMITED AND ITS SUBSIDIARIES

NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET

NOTE 07 : INVESTMENTS

	No. of equity shares of Face Value of Rs. 10 each fully paid-up unless otherwise specified	As at March 2013	As at March 2012
		Non-current ₹	Non-Current ₹
A Trade Investments (At Cost)			
Equity Shares (Unquoted)			
Investment in Associate Company			
Almora Magnesite Limited (Face Value of ₹ 100 each)	77,990	1,19,17,611	1,33,12,644
B Other than Trade Investments (At Cost)			
Equity Shares (Quoted)			
Investment in Other Companies			
a) Tata Construction and Projects Limited	1,44,202	18,42,020	18,42,020
Less : Provision for permanent diminution in value of investment		(18,42,020)	(18,42,020)
b) HDFC Bank Limited (Face Value of ₹ 2 each)	5,000	10,000	10,000
Debentures (Quotation not available)			
Tata Construction and Projects Limited (10% Secured Debentures - Face Value of ₹100 each)	8,000	8,00,000	8,00,000
Less : Provision for permanent diminution in value of investment		(8,00,000)	(8,00,000)
Total Investments		1,19,27,611	1,33,22,644
Quoted Investments :			
- Cost (Net of provision for diminution)		10,000	10,000
- Market Value		31,20,500	26,00,250
Unquoted Investments :			
- Cost (including Quoted Investments in respect of which quotation is not available)		1,19,17,611	1,33,12,644

NOTE 08 : LOANS AND ADVANCE

	As at 31.03.2013			As at 31.03.2012		
	Long Term ₹	Short Term ₹	Total ₹	Long Term ₹	Short Term ₹	Total ₹
Loans and Advances						
(a) Capital Advances	2,01,88,670	-	2,01,88,670	44,72,888	-	44,72,888
(b) Security Deposits	3,20,33,066	-	3,20,33,066	2,61,62,368	-	2,61,62,368
(c) Advance with public bodies	-	26,84,49,624	26,84,49,624	-	25,10,62,032	25,10,62,032
(d) Advance payment of Income –tax (net of provisions)	6,11,20,323	-	6,11,20,323	5,09,08,938	-	5,09,08,938
(e) Other Loans and Advances	-	19,93,72,396	19,93,72,396	-	17,32,22,852	17,32,22,852
Gross Loans and Advances	11,33,42,059	46,78,22,020	58,11,64,079	8,15,44,194	42,42,84,884	50,58,29,078
Less: Provision for Bad & Doubtful Loans & Advances						
(a) Other Loans and Advances	-	14,81,519	14,81,519	-	14,81,519	14,81,519
Total Provision for Bad & Doubtful Loans & Advances	-	14,81,519	14,81,519	-	14,81,519	14,81,519
Total Loans and Advances	11,33,42,059	46,63,40,501	57,96,82,560	8,15,44,194	42,28,03,365	50,43,47,559

TRL KROSAKI REFRACTORIES LIMITED AND ITS SUBSIDIARIES

NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET

NOTE 09 : TRADE AND OTHER RECEIVABLES

	As at Mar 2013 ₹	As at Mar 2012 ₹
Current Trade Receivable and Other Assets		
(a) Current Trade Receivables		
(1) More than six months	80,01,37,502	44,97,33,381
(2) Others	124,17,86,068	165,99,81,206
Gross Current Trade Receivables	204,19,23,570	210,97,14,587
Less: Provision for bad and doubtful debts	3,35,52,544	1,54,55,955
Net Current Trade Receivables	200,83,71,026	209,42,58,632
(b) Other Current Assets		
Interest accrued on Deposits	1,14,244	11,242
Total Other Current Assets	1,14,244	11,242

NOTE 10 : INVENTORIES

(a) Raw Materials (including purchased raw materials-in-transit at cost)	88,30,98,553	85,87,96,070
(b) Work-in-progress (at cost)	23,07,43,069	18,31,32,102
(c) Finished and semi-finished Goods (at lower of cost and net realisable value including purchased goods - in - transit)	55,18,89,429	65,42,75,481
(d) Stock-in-trade of goods acquired for trading (at lower of cost and net realisable value)	7,26,87,798	2,86,13,461
(e) Fuel, Loose Tools, Stores and Spares (at cost)	21,62,93,539	18,02,43,656
Total Inventories	195,47,12,388	190,50,60,770

NOTE 11 : CASH AND CASH EQUIVALENTS

(a) Cash in hand	5,11,209	4,27,711
(b) Cheques, drafts on hand	62,28,147	-
(c) Stamps in hand	-	38,000
(d) Balances with Banks		
(i) In Current Account	15,15,92,579	17,25,53,785
(ii) for Dividend Payment	59,59,589	53,16,454
(iii) In Deposit Account	12,88,000	1,27,000
Total Cash and Cash Equivalents	16,55,79,524	17,84,62,950

NOTES FORMING PART OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

NOTE 12 : REVENUE FROM OPERATIONS

	April'12 to March'13 ₹	April'11 to March'12 ₹
(a) Sale of Products (Including Excise Duty)	1019,79,39,562	1048,10,22,949
(b) Income from Sale of Services	36,42,72,232	21,49,82,885
(c) Other Operating Income	13,22,07,335	11,56,98,302
Total Revenue from Operations	1069,44,19,129	1081,17,04,136

TRL KROSAKI REFRACTORIES LIMITED AND ITS SUBSIDIARIES
NOTES FORMING PART OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

NOTE 13 : OTHER INCOME	April'12 to March'13	April'11 to March'12
	₹	₹
(a) Interest Income	33,59,511	44,26,524
(b) Dividend Income	8,01,400	22,16,500
(c) Profit on sale of non-current investments	—	4,47,85,868
(d) Profit on sale of capital assets	13,41,381	5,64,124
(e) Credit Balances / Provisions no longer required written back (Net)	4,06,19,040	1,36,29,554
(f) Provision for doubtful debts no longer required written back	—	12,99,113
Total Other Income	4,61,21,332	6,69,21,683
NOTE 14 : EMPLOYEE BENEFIT EXPENSE		
(a) Salaries and Wages, including bonus		
(1) Salaries and Wages including Bonus	54,97,63,730	48,09,11,900
(2) Employee Separation Compensation	29,80,098	23,56,222
(b) Contribution to Provident and Other Funds	9,92,60,222	6,42,82,137
(c) Staff Welfare Expenses	6,85,23,904	5,48,99,701
Total Employee Benefit Expenses	72,05,27,954	60,24,49,960
NOTE 15 : FINANCE COSTS		
(a) Interest Expenses		
(1) On Fixed Loans	10,50,71,814	6,90,69,367
(2) On Other Loans	17,17,42,787	16,71,15,422
(b) Other Borrowing Costs	13,03,333	20,66,667
Total Finance Costs	27,81,17,934	23,82,51,456
NOTE 16 : OTHER EXPENSES		
(a) Stores and Spares Consumed	19,19,08,471	15,41,77,950
(b) Repairs to Buildings	5,07,19,388	6,27,41,596
(c) Repairs to Machinery	18,25,34,161	19,19,17,206
(d) Contractors Charges for Refractories Management	28,52,00,843	18,66,99,076
(e) Fuel Consumed	101,25,37,239	90,06,88,569
(f) Purchase of Power	23,50,87,630	22,33,99,977
(g) Conversion Charges	1,57,06,123	3,62,07,715
(h) Freight and Handling Charges	62,33,58,593	66,92,21,362
(i) Rent	1,91,27,535	1,62,64,249
(j) Royalty	14,38,898	7,83,828
(k) Rates and Taxes	2,20,68,466	1,41,52,823
(l) Insurance Charges	62,32,661	54,92,048
(m) Commission and Discounts	7,94,55,211	7,91,79,520
(n) Provision for Wealth tax	90,000	1,30,050
(o) Provision for Doubtful Debts and Advances	1,62,27,025	1,36,13,632
(p) Excise Duties (net)	1,27,21,631	1,53,48,751
(q) Exchange (Gain) / Loss (net)	(26,96,699)	(81,92,003)
(r) Other Expenses	35,72,58,648	35,88,91,345
Total Other Expenses	310,89,75,824	292,07,17,694

TRL KROSAKI REFRACTORIES LIMITED AND ITS SUBSIDIARIES

NOTE 17 :

NOTES ON THE CONSOLIDATED BALANCE SHEET AND CONSOLIDATED STATEMENT OF PROFIT AND LOSS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDING 31ST MARCH 2013.

1 Principles of Consolidation:

The Consolidated Financial Statements relate to TRL Krosaki Refractories Limited (“the Company”) and its majority owned Subsidiary Companies and Associates. The Consolidated Financial Statements have been prepared on the following basis:

- The financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard 21-Consolidated Financial Statements, as notified by the Companies (Accounting Standards) Rules, 2006.
- In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Exchange gains/(losses) arising on conversion are recognized under Foreign Currency Translation Reserve (arising on consolidation).
- Investment in Associate Company has been accounted for under the equity method, as per Accounting Standard 23 ‘Accounting for investment in Associates in Consolidated Financial Statements’, as notified by the Companies (Accounting Standards) Rules, 2006.
- The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. 31st March 2013.
- Minority interest in the net assets of consolidated subsidiaries consists of :
 - (a) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
 - (b) The minorities’ share of movements in equity since the date the parent subsidiary relationship came into existence.
- Minority interest’s share of net profit/(loss) for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.
- Intra-group balances and intra-group transactions and resulting unrealised profits are eliminated.

The list of Subsidiaries and Associate which are included in the consolidation and the Company’s holding therein are as under:

<u>Name of the Subsidiary Company</u>	Ownership in % either directly or through Subsidiaries		Country of Incorporation
	2012-13	2011-12	
TRL Asia Pvt Ltd.	88%	88%	Singapore
TRL China Ltd.	100%	100%	China
<u>Name of the Associate Company</u>			
Almora Magnesite Limited	39%	39%	India

- In the case of the following, unaudited financial statements, as certified by the Management, have been considered for the purpose of consolidation.

Almora Magnesite Limited (Associate)

TRL Asia Pvt Limited & Its Subsidiary (Subsidiary)

2 Accounting Policies

(i) General

The Financial statements are prepared under the historical cost convention on an accrual basis and in conformity with accounting standards, as notified by the Companies (Accounting Standard) Rules, 2006.

(ii) Revenues :

- a) Sales comprise of sale of goods & services, net of trade discounts.
- b) Export incentives under the Duty Entitlement Pass Book Scheme are recognized on the basis of credits afforded in the pass book.
- c) Bonus claims, linked to operating efficiency of products, are recognized upon their crystallisation.

(iii) Claims :

Claims on underwriters / carriers towards losses / damages are accounted when there is certainty that the claims are realisable.

(iv) Research and Development :

Revenue expenditure on Research and Development (R&D) is charged as expenditure of the year in which it is incurred. Capital expenditure on R&D is treated as an addition to fixed assets.

(v) Retirement Benefits.

- a) Contribution to Provident Fund and Superannuation Fund (applicable to Officers only) is made at a predetermined rate to the Provident Fund Trust / Superannuation Fund Trust and charged to the Profit and Loss Account on accrual basis.
- b) Provision for gratuity liability, accrued leave salary due to employees, post retirement medical benefit, sick leave salary are made on the basis of actuarial valuation. pension to ex-managing directors are made on discounted value.

(vi) Employee Separation Scheme :

Compensation to employees who have opted for retirement under the Friendly Departure Scheme of the Company, is charged off in the year in which the employee is relieved from the services of the company.

(vii) Fixed Assets :

Fixed assets are valued at cost less depreciation.

(viii) Borrowing Costs

Borrowing costs attributable to the acquisition of fixed assets and incurred up to the point of installation / commissioning of the assets are added to the cost of the respective assets.

(ix) Depreciation :

- a) Depreciation is provided under the straight line method applying the rates specified in Schedule XIV of the Companies Act, 1956, or based on the estimated life whichever is higher. With effect from April 1, 2008, assets individually costing upto ₹ 25000/- are fully depreciated in the year of acquisition. The estimated life of Motor Car, Furniture & Fixture, Fans, Air Conditioners, Refrigerators and Office Equipment's is 5 years.
- b) Cost incurred towards development of mines are depreciated over the useful life of the mines or lease period, whichever is less, subject to maximum of 10 years.
- c) In the case of a foreign subsidiary, the assets are depreciated on a straight line basis over the estimated useful lives of the assets. Leasehold land of a foreign subsidiary is amortized over the life of the lease.

(x) Impairment of Assets :

Impairment is recognized to the extent that the recoverable amount of the assets of a cash generating unit is lower than it's carrying amount; such impairment being charged to the statement of Profit and Loss in the year in which the impairment occurs.

(xi) Foreign Exchange Transactions:

Foreign currency transactions and forward exchange contracts used to hedge foreign currency transactions are initially recognised at the spot rate on the date of the transaction / contract.

Monetary assets and liabilities relating to foreign currency transactions and forward exchange contracts remaining unsettled at the end of the period are translated at the period end rates.

The difference in transactions and realised gains and losses on foreign exchange transactions, are recognised in the Statment of Profit and Loss. Further, in respect of transactions covered by forward exchange

contracts, the difference between the contract rate and spot rate on the date of the transaction is recognised in the Statement of Profit and Loss over the period of the contract.

(xii) Investments :

Investments, being long term investments, are valued at cost less provision for permanent diminution if any in value of such investments.

(xiii) Inventories :

Raw Materials are carried at lower of cost and net realisable value.

Purchased Raw Materials in transit are carried at cost.

Stores and spare parts are valued at or below cost.

Semi-finished products and Finished products are valued at lower of cost or net realizable value.

Cost of inventories is generally ascertained on the 'weighted average' basis. Finished and semi-finished products are valued on full absorption cost basis.

(xiv) Deferred Tax :

Deferred Tax is accounted for by computing the tax effect of timing differences which arise in one year and reverse in subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable or virtual certainty, as the case may be, that they will be realised in future. Deferred tax assets are reviewed at each balance sheet date for the appropriateness of their respective carrying values.

3 Contingent Liabilities

- a) Contingent Liability in respect of sales tax, income tax, excise, service tax and NPV in respect of Forest Land use for Mining operation demanded but contended as not due and therefore not provided in accounts ₹ 4,72,65,822 (previous year : ₹ 5,15,34,090, ₹ Nil (previous year : Nil), ₹ 1,64,93,523 (previous year : ₹ 18,40,000) ₹ 26,85,510 (previous year : ₹ 26,85,510) and Nil (previous year : Nil) respectively.
 - b) Guarantees amounting to ₹152,65,86,864 (previous year : ₹ 160,28,46,638), includes Corporate Guarantee given by the Company to State Bank of India, Shanghai Branch with respect to term loan and working capital limits sanctioned to TRL China Ltd - ₹ 132,74,75,820 (previous year ₹ 122,61,79,680)
 - c) Bills Discounted ₹ 82,94,46,682 (previous year : ₹ 60,41,52,578)
 - d) Other claims not acknowledged as debts - ₹ 1,20,41,203 (previous year : ₹ 1,18,91,203).
- 4 Estimated amount of contracts remaining to be executed on Capital Account and not provided for - ₹ 44,92,77,395 (previous year : ₹ 40,25,96,136) .
- 5 The amount payable within one year under the Friendly Departure Scheme ₹ 54,15,436 (previous year : ₹ 75,24,017)
- 6 Exchange difference included in other expenses in relation to current year ₹ 1,58,87,162 (gain) [previous year : ₹ 1,06,85,580 (gain)].
- 7 For the purpose of reporting in compliance with Accounting Standard-17, segment reporting as notified by the Companies (Accounting standards) Rules, 2006, on segment reporting, the business segment has been considered as the primary segment and the geographic segment has been considered as the secondary segment. Refractories segment being the only business segment, necessary information has already been given in the Balance Sheet and statement of Profit and Loss. The Company has two geographic segments; domestic and export sales. Revenue from geographic segments based on location of customers is - a) Domestic : ₹ 850,99,17,180 (previous year : ₹ 891,49,75,279) and b) Rest of the world : ₹ 218,45,01,949 (previous year : ₹ 189,67,28,857); Total - ₹ 1069,44,19,129 (previous year : ₹ 1081,17,04,136).
- 8 Manufacturing and other expenses and depreciation shown in the Statement of Profit & Loss includes ₹ 3,58,61,249 (previous year : ₹ 3,08,59,675) and ₹ 43,71,995 (previous year : ₹ 42,46,268), respectively, in respect of Research & Development activities undertaken during the period.
- 9 The amount due to Micro and Small Enterprise as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The total outstanding dues of Micro and Small Enterprises is ₹ 69,26,128 (Previous year: ₹ 80,08,512). There is no delay in making payment to Micro, Small and Medium Enterprises and hence no interest is paid, accrued, due, and payable for the period of delay in making payment as specified under the Act.

10 Employee Benefits

- a) In line with the disclosure requirements under Accounting Standard (AS) 15 (revised 2005) on Employee Benefits, as notified by the companies (Accounting Standard) Rules 2006, of India, the relevant details with respect to employee benefits are given here below:
- b) The Company has recognized, in the Statement of Profit and Loss for the year ended 31.03.2013, an expenses of ₹ 2,69,91,363 (previous year : ₹ 2,51,05,355), under defined contribution plans as given below:

Benefit (Contribution to)	₹	Previous Year ₹
Superannuation Fund	1,92,64,627	1,76,33,148
Employees' Pension Scheme	77,26,736	74,72,207
Total	2,69,91,363	2,51,05,355

- c) The Company operates post retirement defined benefit plans as follows:

- a. Funded
(i) Post Retirement Gratuity
- b. Unfunded:
(i) Post Retirement Medical benefits
(ii) Pensions to Directors

- d) Details of the Post Retirement Gratuity plan are as follows:

Description	₹	Previous Year ₹
1). Reconciliation of opening and closing balances of obligation		
a. Obligation as at the beginning of the year	16,95,36,800	17,06,25,210
b. Current Service Cost	8,050,000	82,33,410
c. Interest Cost	13,726,000	1,29,93,790
d. Actuarial (gain)/loss	24,550,000	(59,09,840)
e. Benefits paid	(19,865,000)	(1,64,05,770)
f. Obligation as at the end of the year	195,997,800	16,95,36,800
The defined benefit obligation as at the end of the period is wholly funded by the company.		
2). Change in Plan Assets (Reconciliation of opening & closing balances)		
a. Fair Value of plan assets as at the beginning of the year	178,700,800	16,11,74,040
b. Expected return on plan assets	16,099,000	1,52,57,010
c. Actuarial gain/(loss)	-	-
d. Contributions	5,000,000	1,86,75,520
e. Benefits paid	(19,865,000)	(1,64,05,770)
f. Fair Value of plan assets as at the end of the year	179,934,800	178,700,800
3). Reconciliation of fair value of assets and obligations at the end of the period		
a. Fair value of plan assets	179,934,800	17,87,00,800
b. Present value of obligation	195,997,800	16,95,36,800
c. Amount recognised in the balance sheet	16,063,000	(9,164,000)
4). Expense recognized in the Year		
a. Current service cost	8,050,000	82,33,410
b. Interest cost	13,726,000	1,29,93,790
c. Expected return on plan assets	(16,099,000)	(1,52,57,010)
d. Actuarial (gain)/loss	24,550,000	(59,09,840)
e. Expense recognized in the year	30,227,000	60,350

The expense is disclosed in the line item – Payments to & Provisions for Employees (Co's contribution to Provident & other funds)

5). Investment Details

The full amount has been invested in cash accumulation scheme of Life Insurance Corporation of India.

6). Assumptions	31.03.13	31.03.12
a. Discount rate (per annum)	8.00%	8.60%
b. Estimated rate of return on plan assets (per annum)	9.40%	9.40%
c. Rate of escalation in salary (per annum)	5.00%	5.00%

e) Details of non-funded post retirement defined benefit obligations are as follows: **Previous Year**

Description	₹		₹	
	Medical	Ex-MD Pension	Medical	Ex-MD Pension
1). Reconciliation of opening and closing balances of obligation				
a. Obligation as at the beginning of the year	5,93,67,640	3,32,10,690	5,83,02,410	3,67,63,880
b. Current Service Cost	8,54,000	—	9,20,130	—
c. Interest Cost	4,9,69,360	2,7,44,000	45,38,480	28,57,110
d. Actuarial (gain)/loss	4,3,82,000	1,17,40,310	(12,50,570)	(43,10,300)
e. Benefits paid	(3,1,70,000)	(2,5,98,000)	(31,42,810)	(21,00,000)
f. Obligation as at the end of the year	6,64,03,000	4,50,97,000	5,93,67,640	3,32,10,690
2). Expense recognized in the year				
a. Current service cost	8,54,000	—	9,20,130	—
b. Interest cost	4,96,9,360	27,44,000	45,38,480	28,57,110
c. Actuarial (gain)/loss	43,82,000	1,17,40,310	(12,50,570)	(43,10,300)
d. Expense recognized in the year	1,02,05,360	1,44,84,310	42,08,040	(14,53,190)

The expense amounting to Medical : Rs.1,02,05,360 (Previous Year : Rs.42,08,040) and Ex-MD Pension : Rs144,89,310 (Previous Year : Rs.14,53,190) are disclosed under the line item - Workmen and Staff Welfare Expenses.

3). Assumptions	Medical	Medical
	31.03.13	31.03.12
a. Discount rate (per annum) at the beginning of the year	8.60%	8.00%
b. Discount rate (per annum) at the end of the year	8.00%	8.60%
c. Medical costs inflation rate	5.00%	5.00%
d. Average Medical Cost (Rs./person)	1100	1050
e. Effect of 1% change in health care cost, on		
1% Increase	₹	₹
- aggregate current service and interest cost	66,04,000	62,51,230
- closing balance of obligation	87,12,000	75,75,340
1% Decrease		
- aggregate current service and interest cost	(50,66,000)	(46,96,920)
- closing balance of obligation	(72,10,000)	(62,98,870)

f) The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors.

g) Amounts for the current and previous three years are as follows:

(i) Gratuity (Funded)	31.03.13	31.03.2012	31.03.2011	31.03.2010
Defined benefit obligation	19,59,97,800	16,95,36,800	17,06,25,210	16,32,67,070
Plan assets	17,99,34,800	17,87,00,800	16,11,73,730	14,54,12,340
Surplus / (deficit)	(1,60,63,000)	91,64,000	(94,51,480)	(1,78,54,730)
Experience adjustments on plan assets	—	—	—	973,770
Experience adjustments on plan liabilities	(1,74,25,000)	(6,71,950)	(17,52,760)	(2,01,57,480)

(ii) Post Retirement Medical Benefits	31.03.13	31.03.2012	31.03.2011	31.03.2010
Defined benefit obligation	6,64,03,000	5,93,67,640	5,83,02,410	5,81,18,420
Plan assets	–	–	–	–
Surplus / (deficit)	(6,64,03,000)	(5,93,67,640)	(5,83,02,410)	(5,81,18,420)
Experience adjustments on plan assets	–	–	–	–
Experience adjustments on plan liabilities	(38,54,000)	(29,93,260)	25,27,150	98,07,190

The above information has been certified by the actuary and has been relied upon by the Auditors.

h) Provident Fund

- (a) In keeping with the Guidance on implementing Accounting Standard (AS) 15 (Revised) on Employee Benefits notified by the Companies (Accounting Standards) Rules, 2006, employer established provident fund trusts are treated as Defined Benefit Plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. The interest shortfall, if any, is calculated on the actual basis and provided in the accounts.
- (b) The company has contributed Rs. 2,17,06,524 (Previous year : Rs. 1,88,75,225) towards provident fund.

11. Related Party Disclosures

List of Related Parties :

RELATED COMPANIES OF TRL KROSAKI REFRACTORIES LIMITED

Sl. No.	Related Party	Country
A Holding Company		
	Krosaki Harima Corporation	Japan
B i) Subsidiary Company		
	TRL Asia Pte Ltd	Singapore
	TRL China Ltd	China
ii) Subsidiary through Krosaki Harima Corporation, Japan		
1	Krosaki Harima Cera Corporation	Japan
2	SN Refractory Tokai Co. Ltd.	Japan
3	Shin-Nippon Thermal Ceramics Corporation	Japan
4	Higashihama Sangyo Corporation	Japan
5	Ariake Material Limited	Japan
6	Krosaki Harima (Shanghai) Enterprise Management Co. Ltd.	China
7	Wuxi Krosaki Sujia Refractories Co. Ltd.	China
8	Yingkou Krosaki Refractory Co. Ltd.	China
9	Wuxi Krosaki Machinery Co. Ltd	China
10	Shenyang NEU-Krosaki Refractory Co. Ltd	China
11	Qinhuangdao Shougang Krosaki Refractories Co. Ltd.	China
12	Beijing Dongzu Xinye Kemao Co. Ltd.	China
13	Krosaki Amr Refractories, S.A.	Spain
14	Krosaki Harima Europe B.V.	Netherlands
15	Krosaki USA Inc.	USA
16	Krosaki Magnesita Refractories, LLC.	Brazil

C i) Associate Company

1	Almora Magnesite Limited	India
---	--------------------------	-------

ii) Associate through Krosaki Harima Corporation, Japan

1	KIKUTAKE SANGYO CORPORATION	Japan
2	Chugoku Chikuro Corporation	Japan
3	Maejima Kogyo Corporation	Japan
4	Godo Ceramics Corporation	Japan
5	Jinan Xinbao Refractories Co. Ltd.	China
6	Dandong Harima Refractories Co. Ltd.	China
7	Yingkou Krosaki Toshin Minerals Co. Ltd	China
8	Shanghai Baoyejianshe Industrial Furnace Engineering &	China
9	Yingkou Kyushu Refractories Co. Ltd.	China
10	Australia Krosaki CIC Australia Pty. Ltd.	Australia
11	IFGL Exports Limited	India

D Promoters holding more than 20%

	Tata Steel Limited	India
--	--------------------	-------

12 Related Party Disclosures

Key Management Personnel :

Dr. A. K. Chattopadhyay, Whole Time Director

Relatives of Key Management Personnel :

Mrs. Supriya Chatterjee

Mrs. Poulomi Kumar

Ms. Rituparna Chatterjee

	Current Year April'12 to March'13 ₹	Previous Year April'11 to March'12 ₹
Transactions with Related Parties		
I) Purchase of Raw Material and Components		
Holding Company :	8,51,67,787	–
Associates :	1,38,61,870	1,03,54,391
Promoters holding more than 20%	1,46,47,789	45,09,603
II) Sales, Services and Other Income		
Holding Company :	56,60,330	160,002,654
Fellow Subsidiaries	–	1,99,94,923
Associates	–	5,827,140
Promoters holding more than 20%	139,03,10,026	119,14,12,463
III) Receiving of services from		
Holding Company :	–	16,37,692
Promoters holding more than 20%	66,56,571	46,99,390
IV) Dividend paid		
Holding Company :	3,73,06,500	23,53,94,000
Promoters holding more than 20%	1,48,37,760	–
Outstanding balances as at 31st March, 2013		
V) Debtors		
Holding Company :	15,40,780	28,43,356
Fellow Subsidiaries	–	2,74,11,458
Associates	–	52,91,450
Promoters holding more than 20%	27,96,10,383	28,08,11,072
VI) Loans and Advances Given		
Promoters holding more than 20%	2,06,11,629	31,34,303
VII) Advance from Customer		
Holding Company :	3,75,382	–
Promoters holding more than 20%	–	13,16,66,390
VIII) Creditors		
Holding Company :	5,30,00,993	–
Associates :	30,88,336	27,27,540
Promoters holding more than 20%	88,06,892	31,36,951
IX) Services Rendered		
Promoters holding more than 20%	51,48,328	31,27,060
X) Key Management Personnel		
Remuneration paid :		
Dr. A. K. Chattopadhyay	1,41,36,842	1,30,42,670

*All transactions pertaining to former holding company and former associates and fellow subsidiaries for previous year, have been shown upto June 2, 2011 i.e the date on which they ceased to be the holding company, associates and fellow subsidiaries.

12 Earnings per Share (EPS)

EPS is calculated by dividing the profit attributable to the equity shareholders by the average number of shares outstanding during the year. The basic and diluted earnings per share has been calculated below

		Current Year	Previous Year
a) Profit after tax, Minority Interest and share of profit of Associates	₹	6,51,314	10,31,54,162
b) Profit attributable to Ordinary Share Holders	₹	6,51,314	10,31,54,162
c) No of ordinary Shares of Basic EPS	Nos.	2,09,00,000	2,09,00,000
d) Nominal Value per share	₹	10.00	10.00
e) Basic Earning per Ordinary Share	₹	0.03	4.94

13 Major Components of Deferred Tax Assets and Deferred Tax Liabilities

	Current Year	Previous Year
i) Deferred Tax Assets	₹	₹
a) Tax on expenditure allowed on payment basis u/s 43B of the Income Tax Act 1961. ("the Act")	4,25,65,138	2,98,10,299
b) In respect of unpaid royalty u/s 40(a) of the Act.	-	12,149
c) In respect of provision for doubtful debts and advances u/s 36(2) of the Act	16,81,398	7,34,900
d) Tax on difference between the amount charged in the books in respect of Early Retirement Compensation and the deduction allowed in respect thereof under the Act.	1,40,95,968	6,74,581
	<u>5,83,42,504</u>	<u>3,12,31,929</u>
ii) Deferred Tax Liabilities		
On the timing Difference between Book Depreciation and Income Tax Depreciation	16,69,89,102	17,40,58,342
Net Deferred Tax Liability	<u>10,86,46,598</u>	<u>14,28,26,413</u>

14 Summary of Financial Information of Subsidiary Companies

(Figures in ₹ Crores)

Sl. No.	Name of Subsidiary Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investments (Excluding in subsidiaries)	Turnover	Profit Before Tax	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country
1.	TRL Asia Private Limited	CNY	8.74	57.59	(0.58)	57.07	0.06	-	-	(0.04)	-	(0.04)	-	Singapore
2	TRL China Ltd	CNY	8.74	56.81	(25.99)	157.53	126.71	-	169.74	(7.26)	-	(7.26)	-	China

* Revenue items are arrived using average rate - 1 CNY: Rs. 8.4113.

15 Figures in respect of the previous year have been recast to correspond to groupings of current year.

As per our report annexed

For **N. M. Raiji & Co.**

Chartered Accountants

Firm Registration No. 108296W

VINAY D. BALSE

Partner

Membership No. : 39434

Date : May 9, 2013

Place : Mumbai

For and on behalf of the Board

H. M. Nerurkar

Chairman

A. K. Chattopadhyay

Managing Director

A. Debta

Sr. Company Secretary

Kolkata, May 8, 2013

TRL ROSAKI REFRACTORIES LIMITED

(Formerly Tata Refractories Limited)

Regd. Office: Belpahar-768218, Dist: Jharsuguda (Odisha)

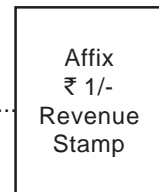
PROXY FORM

I/We
of in the district being
a Member/Members of the above named Company, hereby appoint
..... of in the district
of or failing him of
..... in the district of as my/our

Proxy to attend and vote for me/us on my/our behalf at the FIFTY-FOURTH ANNUAL GENERAL MEETING of the Company to be held on Saturday, September 21, 2013 at 1.00 p.m. and at any adjournment thereof.

Signed this day of 2013

Signature



Folio No.

Address

-
- Notes :
1. The proxy need not be a member.
 2. The proxy form duly signed across revenue stamp of ₹ 1/- should reach the Company's Registered Office at least 48 hours before the time of the meeting.




New FCP Plant at Belpahar under Construction



Taphole Clay Plant at Belpahar



Golden Peacock Occupational Health and Safety Award, 2013

TRL  ROSAKI REFRACTORIES LIMITED

Belpahar Jharsuguda Odisha 768 218
www.trlkrosaki.com