

# ANNUAL REPORT AND ACCOUNTS 2004 - 05



**GREAVES MORGANITE CRUCIBLE LTD.**



## CONTENTS

Board of Directors .....	3
Notice .....	4
Report of the Directors .....	6
Auditors' Report .....	11
Balance Sheet .....	14
Profit and Loss Account .....	15
Schedules forming part of the Balance Sheet and Profit and Loss Account .....	16
Cashflow Statement .....	28
Shareholder Information .....	29



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**BOARD OF DIRECTORS**

S. N. Talwar (Alternate to Mr. D. Finck)

P. Sachdev

J. P. Wright

S. Halliday (Upto April 30, 2005)

D. Finck

P. Davies

S. K. Basu

S. Cox (w.e.f. June 7, 2005)

**SECRETARY**

S. V. Joshi

**AUDITORS**

Price Waterhouse & Co.

**SOLICITORS**

Crawford Bayley & Company

**BANKERS**

State Bank of India

UTI Bank Ltd.

**REGISTERED OFFICE & WORKS**

B-11, MIDC, Industrial Area,

Waluj - 431 136, Dist. - Aurangabad.

## Greaves Morganite Crucible Limited

### NOTICE TO THE MEMBERS

**NOTICE** is hereby given that the **TWENTIETH ANNUAL GENERAL MEETING** of **GREAVES MORGANITE CRUCIBLE LIMITED** will be held on Friday August 19, 2005, at 12.00 Noon at B-11, MIDC, Waluj 431 136, Dist. Aurangabad, Maharashtra to transact the following business :

#### ORDINARY BUSINESS

1. To receive and adopt the Audited Balance Sheet as at March 31, 2005 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To reappoint Messrs. S.K. Basu, D. Finck, S. Cox and P. Davies as Directors of the Company in accordance with Article 112(i)(e) of the Company's Articles of Association.
4. To reappoint M/s. Price Waterhouse & Co., as the Auditors of the Company and to fix their remuneration.

#### SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification, as a Special Resolution, the following:

**"RESOLVED THAT** subject to the provisions of Section 61 of the Companies Act, 1956 (including any statutory modification(s), or re-enactment thereof for the time being in force and as may be enacted hereafter), the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) the consent of the Company be and it is hereby accorded to the Board to delist the Company's Equity Shares from The Pune Stock Exchange, Pune".

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to take all such necessary steps as may be deemed necessary and to do all such acts, deed or things as may be necessary, to give effect to the above".

#### Registered Office :

B -11, MIDC, Industrial Area,  
Waluj - 431 136, Aurangabad.  
Dated : June 7, 2005

By Order of the Board of Directors

**S. V. JOSHI**  
Secretary

#### NOTES

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIM/HER ON A POLL ONLY AND SUCH PROXY NEED NOT BE A MEMBER. THE PROXIES SHOULD HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE MEETING.

- b. Pursuant to Article 112 (i)(e) the Directors of the Company, except for the non-retiring Directors, are appointed by a system of proportional representation.

The term of the existing retiring Directors expires on the day of the Annual General Meeting and therefore, the Directors are required to be re-appointed at the Annual General Meeting by a system of proportional representation for a further period of 3 years from the Annual General Meeting till the Annual General Meeting of the Company to be held in the year 2008.

- c. The Register of Members and Transfer Books of the Company will remain closed from Friday, August 12, 2005 to Friday, August 19, 2005 (both days inclusive)
- d. The dividend, if any, that may be declared at the Annual General meeting, will be paid to those Members, whose names appear in the Register of Members on August 19, 2005. The dividend warrants will be sent to them within 30 days from declaration.
- e. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of item No. 5 above, is attached.



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**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT**

(Pursuant to Section 173 of the Companies Act, 1956)

**Item No. 5**

Presently, the Company's Equity Shares are listed on the following Stock Exchanges:

1. The Stock Exchange, Mumbai (BSE)
2. The Pune Stock Exchange (PSE) – Regional Stock Exchange.

Members are aware that BSE in the last couple of years has expanded its network of centers across the Country. As such, the Investors have access to online dealings in the Company's Equity Shares. The trading volumes of the Company's Equity Shares on PSE have been very negligible in the last few years in relation to the total volume of Company's Equity Shares traded. As such, the annual listing fees being paid by the Company to PSE do not offer commensurate benefits to the Company or its Investors. The Directors therefore, felt that the listing on PSE be discontinued, which apart from reducing financial cost, would also reduce the administrative work.

It is therefore, proposed to delist the Company's Equity Shares from PSE, which will be in the interest of the Company. Pursuant to the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, the Members' approval is being sought by way of a Special Resolution for voluntary delisting of the Company's Equity Shares from PSE. In terms of the said Guidelines, as the Company's Equity Shares will continue to remain listed on BSE, no exit option is required to be offered to Members.

By Order of the Board of Directors

**Registered Office :**

B -11, MIDC, Industrial Area,

Waluj - 431 136, Aurangabad.

Dated : June 7, 2005

**S. V. JOSHI**

Secretary

**Greaves Morganite Crucible Limited****REPORT OF THE DIRECTORS**

The Members,

Your Directors have pleasure in presenting the Twentieth Annual Report and Audited Statement of Accounts for the year ended March 31, 2005.

**2. FINANCIAL RESULTS**

	Year ended March 31, 2005 (Rs. in Lacs)	Year ended March 31, 2004 (Rs. in Lacs)
Profit before interest, depreciation & Tax	331.56	386.86
Interest	0.03	1.01
Depreciation	54.58	54.74
<b>Profit before taxation</b>	<b>276.95</b>	<b>331.11</b>
Provision for taxation		
- Current tax	98.73	94.59
- Deferred tax	—	18.59
<b>Profit After tax</b>	<b>178.22</b>	<b>217.93</b>
Profit brought forward from previous Year	98.25	91.40
<b>Profit available for appropriation</b>	<b>276.47</b>	<b>309.33</b>
<b>Appropriations :</b>		
Dividend	89.60	89.60
Corporate Dividend Tax	12.57	11.48
General Reserve	80.00	110.00
Profit carried forward to Balance Sheet	94.30	98.25
	<b>276.47</b>	<b>309.33</b>

**3. DIVIDEND**

Your Directors recommend a dividend of 32% for the financial year ended March 31, 2005.

**4. OPERATIONS**

During the financial year, the Turnover was marginally higher at Rs.1427.73 lacs as compared to Rs.1389.50 Lacs in the previous year. In view of the all round increase in input costs, coupled with lower capacity utilization of Clay Graphite Plant on account of lower demand, the margins were under pressure

**5. EXPORTS**

During the year, the exports of Silicon Carbide grew by 18.6% to Rs.329.24 lacs against Rs.277.76 lacs in the previous year. However, exports of Clay Graphite Crucibles dropped by 54.5%.

**6. FUTURE OUTLOOK**

The Company is taking various measures in order to sustain its position in the competitive market environment. The Company's large sized crucibles have been well accepted in the overseas markets. Your Directors are hopeful of better growth in exports in the coming years. Barring unforeseen circumstances, your Directors are reasonably confident of Company's encouraging performance in the coming years.



## 7. DIRECTORATE

Mr. S. Halliday resigned effective April 30, 2005. Your Directors wish to place on record their sincere appreciation for the contribution made by Mr. S. Halliday during his tenure as Director.

The Board of Directors have appointed Mr. S. Cox as a Director w.e.f. June 7, 2005 to fill the casual vacancy caused by resignation of Mr. S. Halliday.

The tenure of all the Directors, except Mr. J. P. Wright and Mr. P. Sachdev, comes to an end at the Annual General Meeting and as such they are proposed to be re-appointed in accordance with Article 112(i)(e) of the Articles of Association at this Annual General Meeting. The Board recommends their re-appointments.

## 8. DISCLOSURE FOR THE PURPOSE OF REGULATION 3 (i)(e) OF THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATION, 1997.

The Promoters comprise of the Morganite Crucible Limited Group ("MCL Group") and the Greaves Group, which collectively hold 76% of the Company's Equity Capital, as per the break-up given hereunder :

MCL Group	: 50.5%
(which constitutes Morganite Crucible Limited and Morgan Terrassen BV)	

Greaves Group	: 25.5%
(which constitutes Greaves Leasing Finance Limited and its holding Company Greaves Cotton Limited)	

## 9. DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm that :

1. in the preparation of the Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit for the period;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the Annual Accounts on going concern basis.

## 10. AUDITORS

The Company's Auditors Messrs. Price Waterhouse & Co. retire at the ensuing Annual General Meeting and being eligible, have offered themselves for reappointment.

## 11. PERSONNEL

Industrial relations during the year remained cordial.

## 12. PARTICULARS OF EMPLOYEES

There were no employees falling under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

## 13. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO, ETC.

The statement pursuant to Section 217(1)(e) of the companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in Annexure forming part of this Report.

## 14. ACKNOWLEDGEMENT

Your Directors record their appreciation for the support received from Company's Bankers, Collaborators and its staff.

For and on behalf of the Board of Directors

Mumbai  
June 7, 2005

S. N. TALWAR  
Director

P. SACHDEV  
Director

**Greaves Morganite Crucible Limited****ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2005**

**INFORMATION RELATING TO THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION  
AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO SECTION 217(1)(e) OF THE  
COMPANIES ACT, 1956. READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE  
REPORT OF THE BOARD OF DIRECTORS) RULES, 1988**

**A. CONSERVATION OF ENERGY :****a. Measures Taken : i) Electrical Energy**

Installation of power factor improvement system and Beblec make energy saver.

**Fuel : LPG Consumption**

Installation of imported instruments on Kilns. Optimum loading of ware per cycle & thereby reduction in heat losses.

**ii) 1. Kiln No. 1 - Relining of refractory.**

2. Kiln No. 2 – Replacement of monomax lining.

- b. Additional Investments :**
1. To reduce cycle time during curing operation from existing 14 hours to 10 hours, and proposals if any,
  2. To save on LPG as well as Electricity.
- for reduction of consumption of energy.

**c. Impact of (a) & (b) :** Reduction in consumption of electrical energy & LPG.

**d. Total Energy Consumption :** As per Form A, given below in respect of industries specified in Schedule.



**FORM A**

Form for disclosure of particulars with respect to Conservation of Energy.

**A. Power and Fuel Consumption****B. Consumption per unit of Production**

	<u>2004-05</u>	<u>2003-04</u>		<u>2004-05</u>	<u>2003-04</u>
<b>1. <u>Electricity</u></b>			<b><u>Products</u></b>		
<b>a. <u>Purchased</u></b>					
Units	7,16,319	7,28,540	Silicon Carbide Crucibles & Accessories	1,339.95 MT	1,197.81 MT
Total Amount Rs.	26,10,047	28,07,202	Clay Graphite Crucibles & Accessories	42.16 MT	87.64 MT
Rate/Unit Rs	3.64	3.85	Total	1,382.11 MT	1,285.45 MT
<b>b. <u>Own Generation</u></b>			Electricity consumed (including in house generation)	7,20,439 Units	7,38,962 Units
Units	4,120	10,422	Electricity (Kwh)/MT Prod.	521.25/M.T.	574.80/MT
Diesel Consumption (Ltrs.)	1,422	3,085			
Diesel rate (Ltrs) (Rs)	28.60	26.50			
Cost of Unit generation (Rs.)	9.87	7.84			
<b>2. <u>Others (LPG)</u></b>			<b><u>Others (LPG Consumed)</u></b>		
Quantity (MT)	502.71	498.72	a. Silicon Carbide	446.25 MT	418.88 MT
Total Cost Rs.	1,22,85,601	1,06,64,831	b. Clay Graphite	47.92 MT	83.84 MT
Rate/unit(Kg) Rs.	24.86	21.38	LPG (Kgs)/MT prod		
			a. Silicon Carbide	333.03 Kg./MT	346.34 Kg./MT
			b. Clay Graphite	1136.48 Kg./MT	955.22 Kg./MT

**Greaves Morganite Crucible Limited**

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**FORM B****A. RESEARCH & DEVELOPMENT**

- |    |  |   |   |
|----|--|---|---|
| 1. | Specific Areas   | : | Development of accessories like Hot Rod, Stoppers & Ingate Sleeves undertaken.  |
| 2. | Benefits to be derived                                 | : | Hot rods are useful in controlling metal temperature in Aluminium Die casting foundries. Once the usefulness is established, extra revenue is likely to be generated. |
| 3. | Future plan of action                                  | : | —   |
| 4. | Expenditure on R & D                                   | : |   |
|    | a. Capital   |   | Rs. 0.05 Lacs   |
|    | b. Recurring   |   | Rs. 10.00 Lacs  |
|    | c. Total   |   | Rs. 10.05 Lacs  |
|    | d. Total R & D expenditure as a percentage of Turnover |   | 0.70 %  |

**B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

Efforts made : Nil

Benefits derived : Nil

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

- |    |                    |    |  |
|----|--------------------|----|--|
| 1. | Earnings and outgo | 1) | Foreign Exchange Earnings : Rs.394.41 Lacs |
|    |                    | 2) | Foreign Exchange Outgo : Rs.69.09 Lacs     |