

ANNUAL REPORT AND ACCOUNTS 2005 - 06



GREAVES MORGANITE CRUCIBLE LTD.



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BOARD OF DIRECTORS

S. N. Talwar (upto 24.01.2006)

P. Sachdev (upto 16.02.2006)

J.P. Wright

D. Finck (upto 10.04.2006)

P. Davies (upto 16.02.2006)

S.K. Basu (upto 16.02.2006)

S. Cox

Mr. B. K. Bandha (w.e.f. 16.02.2006)

Mr. V. Sabarwal (w.e.f. 10.04.2006)

(Chief Executive Officer)

SECRETARY

S. V. Joshi

AUDITORS

Price Waterhouse & Co.

SOLICITORS

Crawford Bayley & Company

BANKER

UTI Bank Ltd

HSBC Ltd

REGISTERED OFFICE

B-11, MIDC Industrial Area,

Waluj – 431 136, Dist. – Aurangabad.

Greaves Morganite Crucible Limited

NOTICE TO THE MEMBERS

NOTICE is hereby given that the **TWENTY FIRST ANNUAL GENERAL MEETING** of **GREAVES MORGANITE CRUCIBLE LIMITED** will be held on Tuesday, 6th June 2006 at 12.00 Noon at B-11, MIDC, Waluj – 431 136, Dist. Aurangabad to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2006 and the Profit and Loss Account as on that date along with the reports of the Directors and Auditors thereon.
2. To reappoint M/s.Price Waterhouse & Co., as Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

3. To consider and if thought fit, to pass with or without modification as an Ordinary Resolution the following:
“RESOLVED that pursuant to the provisions of Section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956 and subject to such other approvals as may be required, the Company hereby accords its approval to the appointment of Mr.V.Sabarwal as Director and Chief Executive Officer of the Company for the period commencing from 10th April, 2006 and ending on 9th April 2009 and the payment of remuneration and other terms of appointment, as set out in the Explanatory Statement annexed to this notice”.

“RESOLVED FURTHER that the Board of Directors or Remuneration Committee be and it is hereby authorised to alter and vary the terms and conditions of the said appointment as may be agreed to between the Board of Directors or Remuneration Committee and Mr.Sabarwal from time to time.”

4. To consider and if thought fit, to pass with or without modification as a Special Resolution the following:
“RESOLVED that the Articles of Association of the Company be and it is hereby altered in the manner and to the extent set out below:-

- (i) In Article 2 the following be and it is hereby deleted

“Greaves” means Greaves Limited a Company incorporated under the provisions of the Indian Companies Act, 1913 and having its Registered Office at 1 Dr.V.B.Gandhi Marg, Fort, Mumbai 400 001.

- (ii) The existing Article 111(9) be and it is hereby deleted.

- (iii) The existing Article 112 be and it is hereby deleted and replaced by the following new Article 112.

“112 Until otherwise determined by a General Meeting of the Company and subject to the provision of Section 252 of the Act, the number of Directors, including Debenture Directors (but excluding Alternate Director) shall not be less than three nor more than twelve of which two-thirds shall retire by rotation in accordance with the provisions of Section 255 of the Act.”

- (iv) The existing Article 115 be and it is hereby deleted and replaced by the following new Article 115.

“115. The Board may appoint an Alternate Director to act for a Director (hereinafter called “the Original Director”) during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to that State. If the term of Office of the Original Director is determined before he so returns to that State, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.”



(v) The following Article 116 be and it is hereby inserted after Article 115.

“116. Subject to the provisions of Section 260, 261 and 264 of the Act the Board shall have power at any time and from time to time to appoint any other qualified person to be an additional Director, but so that the total number of Directors shall not at any time exceed the maximum number fixed in Article 112. Any such additional Director shall hold office only upto the date of the next Annual General Meeting.”

(vi) The existing Article 117 be and it is hereby deleted and replaced by the following new Article 117.

“117. Subject to the provisions of Sections 261, 264 and 284(6) of the Act the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.”

(vii) The following Articles 130 to 134 be and they are hereby inserted after Article 129.

“130. At every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. The Debenture Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of Directors to retire.

131. Subject to Section 256(2) of the Act the Directors to retire by rotation under Article 130 at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire, shall in default of and subject to any agreement among themselves, be determined by lot.

132. A retiring Director shall be eligible for re-election.

133. Subject to Sections 258 and 261 of the Act the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.

134. (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless -

- (i) at that meeting or at the previous meeting resolution for the re-appointment of such Director has been put to the meeting and lost;
- (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;
- (iii) he is not qualified or is disqualified for appointment;
- (iv) a resolution, whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act; or
- (v) the proviso to sub-section (2) of Section 263 of the Act is applicable to the case.”

(viii) The existing Article 139 be and it is hereby deleted and replaced by the following new Article 139.

Greaves Morganite Crucible Limited

“139. The General Manager/CEO of the Company shall report to and comply with all directives of the Board of Directors of the Company and on a day to day basis. The General Manager/CEO shall always operate in accordance with the budget as approved by the Board of Directors.

All other officers and employees of the Company shall report to the General Manager/CEO. The General Manager/CEO shall have day to day responsibility for the operations of the Company. In particular, the General Manager/CEO shall be responsible for the financial and administrative matters of the Company and the production, sale and marketing of the Company's products. The General Manager/CEO shall be employed on terms and remuneration commensurate with his position. The General Manager/CEO shall be entitled to attend the meeting of the Board of Directors and participate in their deliberations. However, the General Manager/CEO shall not be entitled to vote on any matters unless he is also appointed a Director of the Company.”

(ix) The existing Article 140A be and it is hereby deleted.

(x) The existing Article 147 be and it is hereby deleted and replaced by the following new Article 147.

“147. Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time.”

(xi) The existing Article 150 be and it is hereby deleted and replaced by the following new Article 150.

“150. The Directors may from time to time elect from among their number a Chairman of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose the Chairman.”

(xii) The existing Article 151 be and it is hereby deleted and replaced by the following new Article 151.

“151. Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman shall have a second or a casting vote.”

(xiii) The existing Article 153 be and it is hereby deleted and replaced by the following new Article 153.

“153. Subject to the restrictions contained in Section 292 of the Act the Board may delegate any of their powers to Committee of the Board consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such Committee of the Board either wholly or in part and either as to persons or purposes, but every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.”

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

“RESOLVED that in accordance with the provisions of Section 21 and other applicable provisions, if any, of the Companies Act 1956 and subject to the approval of the Central Government, the name of the Company be and it is hereby changed from Greaves Morganite Crucible Ltd to Morganite Crucible (India) Ltd or Morganite Crucible Limited or Morganite Molten Metal Systems (India) Limited as may be approved by the Registrar of Companies pursuant to an application made by the Company.”



“RESOLVED FURTHER that the name Greaves Morganite Crucible Limited wherever it occurs in the Memorandum and Articles of Association of the Company be replaced with the new name of the Company.”

“RESOLVED FURTHER that the Directors of the Company jointly and severally and the Company Secretary of the Company be and they are hereby authorised to do all such acts and deeds and sign applications and other forms etc necessary to give effect to this Resolution”

Registered Office :

B -11, MIDC, Industrial Area,
Waluj – 431 136, Aurangabad.

Dated : April 28, 2006.

By Order of the Board of Directors

S. V. JOSHI

Company Secretary

NOTES

- a. A MEMBER ENTITLED TO ATTEND AND VOTE 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 IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE MEETING.
- b. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the business at item Nos.3, 4 and 5 above is annexed.
- c. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, June 1st 2006 to Tuesday, June 6th 2006 (both days inclusive).
- d. In terms of Section 205C of the Companies Act, 1956, all sums transferred to unpaid dividend accounts towards dividend for the financial year 1998-99 and which remain unpaid or unclaimed, will be transferred to the Investor Education & Protection Fund of the Central Government on or after September 23, 2006 respectively. As such, the Members, who have not encashed dividend warrant(s) for the aforesaid financial year, are requested to make their claim with the Company's Registrars and Transfer Agents or with the Company. The members may note that no claims shall lie in respect of such dividends, once the amount is transferred by the Company to the Investor Education and Protection Fund.

Greaves Morganite Crucible Limited**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT**

Pursuant to Section 173 (2) of the Companies Act 1956 in respect of Item No.4 & 5 of the accompanying Notice dated April 28, 2006.

Item No. 3

Mr.V. Sabarwal, aged 40 years, is B.E.(Mech) from IIT Rourkee and has a total experience of over 13 years in senior capacity in large corporates. During his previous employment he has acquired expertise in diverse fields such as manufacturing, marketing and administration. He held the position of Plant Director with Whirlpool of India Ltd before he was appointed as the CEO of the Company.

The total remuneration including perquisites drawn by Mr.V.Sabarwal over the last three financial years is as follows :-

Financial year	Amount (Rs. in lacs)
2004	20.00
2005	22.00
2006	26.00

Mr.V. Sabarwal is responsible for the day to day affairs of the Company subject to superintendence, control and directions of the Board of Directors of the Company.

In addition to his responsibility of managing the affairs of the Company he will also be responsible for the day to day affairs of the manufacturing unit of the subsidiary of the Company viz. Diamond Crucible Co. Pvt. Ltd (DCCPL) for which he will not draw any remuneration from DCCPL.

1. GENERAL INFORMATION

(1) Nature of Industry	Metals manufacturing
(2) Date or expected date of commencement of commercial production.	December 2, 1987
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	N.A.
(4) Financial performance based on given indicators	Financial performance of the Company for the last three years :
	Turnover 2003-04 Rs.1389.50 lacs
	2004-05 Rs.1427.73 lacs
	2005-06 Rs.1460.91 lacs
	Profit after
	Tax 2003-04 Rs.217.93 lacs
	2004-05 Rs.178.22 lacs
	2005-06 Rs.181.23 lacs



(5) Export performance and net foreign exchange collaborations

Earnings in
Foreign 2003-04 Rs.421.69 lacs
Exchange 2004-05 Rs.394.41 lacs
2005-06 Rs.411.00 lacs

(6) Foreign investments or collaborators, if any

76% of the Equity of the Company comprising 21,28,000 shares of Rs.10/- each is held by Morganite Crucible Ltd, UK. and Morgan Terrassen BV., Netherlands.

II. INFORMATION ABOUT THE APPOINTEE :

(1) Background details

B.E. (Mech) from IIT Rourkee (1989)

(2) Past remuneration

Rs.26,00,000/- per annum.

(3) Recognition or awards

N.A.

(4) Job profile and his suitability

The appointee would be responsible for the day to day affairs of the Company's manufacturing plant located at Waluj manufacturing Silicon Carbide and Clay Graphite Crucibles. The appointee has wide experience of managing the manufacturing plants of large corporates including international companies. He possesses expertise in operations and supply chain management. His last assignment being Plant Director with Whirlpool of India Ltd.

(5) Remuneration proposed

Salary Rs.1,00,000 p.m.

Special Pay Rs.31,256 p.m.

House Rent Rs.40,000 p.m.

Education Allowance Rs.200 p.m.

Reimbursement of Medical Expenses not exceeding Rs. 60,000/- p.a.

Leave Travel allowance Rs.50,000 p.a., House Maintenance Rs.2,500 p.m., Club Fees Rs.2,500 p.m.,

Premium for a Group Personal Accident Policy covering employee as per the Rules of the Company.

Premium for Group Mediciclaim Policy for self, spouse, child and mother. Premium not exceeding Rs. 40,000/-p.a.

Commission Payable: Minimum of Rs.30,000 p.m. subject to maximum of Rs.60,000 p.m. depending upon the profitability of the Company as may be determined by the Board or the Remuneration Committee.

In addition to the above, Mr.Sabarwal will also be eligible to the following which are not to be included in the computation of the above ceiling on remuneration :

- a) Company's contribution to Provident Fund and
- b) Superannuation Fund – as per the Rules of the Company.