

ANNUAL REPORT AND ACCOUNTS 2008-2009



MORGANITE CRUCIBLE (INDIA) LTD.



BOARD OF DIRECTOR

James Philip Wright (Upto December 1, 2008)
 John A D Maxwell (From January 30, 2009)
 Vijay Sabarwal (Chief Executive Officer)
 Didier Francois Finck
 Stuart Alan Cox
 Baljinder Kumar Bandha

SECRETARY

Md. Abdul Nadeem (Upto May 31, 2009)

AUDITORS

Price Waterhouse & Co.

SOLICITORS

JSA LAW

BANKER

The Hongkong and Shanghai Banking Corporation Ltd.
 Axis Bank Ltd

REGISTERED OFFICE

B-11, MIDC Industrial Area,
 Waluj - 431 136, Dist. - Aurangabad.
 Maharashtra, India.

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Registrars & Share Transfer Agent

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Morganite Crucible (India) Limited

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NOTICE TO THE MEMBERS

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of Morganite Crucible (India) Limited will be held on Thursday, November 19, 2009 at 11.00 am at B – 11 MIDC, Waluj, Aurangabad – 431136 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2009, Profit and Loss Account for the year ended on that date along with the reports of the Board of 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 confirm appointment of John AD Maxwell who was appointed as Additional Director by the Board and being eligible offer himself for reappointment.
4. To consider and if thought fit to pass with or without modification as an ordinary resolution:

“Resolved that the resignation of Stuart Alan Cox, who is eligible to retire by rotation at this AGM and offered his inability to be re-appointed, be and is hereby accepted.”

“Resolved further that any one of the Director be and is hereby authorised to file form 32 with Ministry of Corporate Affairs.”
5. To consider and if thought fit to pass with or without modification as an ordinary resolution:-

“Resolved that Sadanand Vasant Shabde be and is hereby appointed as Independent Director of the Company effective from this Annual General Meeting and shall hold his office till next Annual General Meeting unless decided otherwise.”

“Resolved further that any one of the Director be and is hereby authorised to file form 32 with Ministry of Corporate Affairs.”
6. To consider and if thought fit to pass with or without modification as an special resolution:

“Resolved that pursuant to the provisions of section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956 and in accordance to the Resolution passed at the 21st and 23rd Annual General Meeting and subject to the approval given by the Central Government the members hereby adopt and approve to the re-appointment for a period of one year effective till April 09, 2010 and payment of remuneration to Vijay Sabarwal, the Whole Time Director and CEO of the Company, as set out in the Explanatory Statement annexed to this notice.”

By Order of the Board of Director

Baljinder Kumar Bandha
Director

Registered Office:

B – 11, MIDC Industrial Area
Waluj – 431 136, Aurangabad
Dated: August 30, 2009

Morganite Crucible (India) Limited

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 members. 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 items No. 3 to 6 above is annexed.
- c. The register of members and the Share Transfer books of the Company will remain closed from September 20, 2009 to September 26, 2009 (both days inclusive).
- d. In terms of section 205C of the Companies Act 1956, all sums transferred to unpaid dividend account towards dividend for the financial year 2001-2002 and which remain unpaid or unclaimed, will be transferred to the Investor Education & Protection Fund of the Central Government on or after July 20, 2009 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 Agent or with the Company. The members may note that no claim shall lie in respect of such dividends, once the amount is transferred by the Company to the Investor Education and Protection Fund.



ANNEXURE TO THE NOTICE

Explanatory Statement

Pursuant to Section 173 (2) of the Companies Act 1956 in respect of item No. 3 to 6 of the accompanying notice dated August 17, 2009.

Item No 3

John A D Maxwell was appointed on January 30, 2009 as Additional Director. Your Director Recommend to appoint him as Director who shall be liable to retire by rotation.

None of the Directors are interested in this resolution except John A D Maxwell.

Item No 4

Stuart Alan Cox who was appointed on June 7, 2005 has expressed his inability to continue on the Board of the Company as he has moved to more responsible position within the group.

In view of the above it is propose, subject to confirmation from the members, to pass the resolution as an ordinary resolution.

Further the Directors also recommend the resolution for the approval of the Members of the Company.

None of the Directors are interested in this resolution except Stuart Alan Cox.

Item No 5

The company proposes to appoint Sadanand Vasant Shabde as an Independent Director.

This move of the Management shows the commitment to better corporate governance in the Company and also a step towards implementation of Corporate Governance norms as issued by SEBI.

Sadanand Vasant Shabde has more than three decades of experience in the field of engineering.

None of the Directors are interested in this resolution.

Item No 6

Vijay Sabarwal, aged 43 years is BE (Mech) from IIT Rourkee and has a total experience of over 20 years in senior capacity in large corporate. During his previous employment he has acquired expertise in diverse fields such as manufacturing, marketing and administration. The general information and information about the appointee as per Schedule XIII of the Companies Act 1956 read will all relevant section therefore shall remain unchanged as set out in the explanatory statement which form the part of Notice dated April 28, 2006 for convening Twenty First Annual General Meeting, and hence not reproduced again here.

His reappointment will be valid till April 09, 2010 and subject to approval from the Central Government for which the Company has already moved an application.

The total remuneration including perquisites to be drawn by Vijay Sabarwal will be as under

All in Rupees

Component	Amount (INR)	Per Month / Per Year
Salary	132167	PM
Special Pay	36000	PM
House Rent Allowance	52867	PM
Car Allowance	27600	PM
Education Allowance	250	PM
House Maintenance	35000	PA
Club Fees	35000	PA
Leave Travel Allowance	58000	PA
Reimbursement of Medical Expenses not exceeding	{ At actual for self, immediate family and dependent parents	

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Premium for Group Personal Accident Policy covering Employee and Premium for Group Mediciclaim Policy for self, spouse, children and mother. Premium not to exceed Rs 60000 per annum.

Commission payable Minimum Rs 475801 pa (30 percent of basic) subject to maximum of Rs 951602 pa (60 percent of basic) depending upon the profitability of the Company as may be determined by the Board or the Remuneration Committee.

In addition to the above the Employee will also be eligible to the following which are not to be included in the computation of the above remuneration.

Company's contribution to provident fund;

Superannuation Fund – as per the Rules of the Company (15 % of basic);

Retirement Gratuity – As per the Rules of the Company (5 % of basic);

Encashment of Leave at the end of the tenure – as per the Rules of the Company;

Provisions of chauffeur driven car for use only on Company's business;

The above remuneration is subject to six monthly reviews and may increase by upto twenty percent per annum only on fixed component in the next review.

A copy of the new Agreement entered into between the Company and Vijay Sabarwal is available for inspection by the Members at the Company's registered office from 11.00 AM to 02.00 PM on any working day up to the date of the Annual General Meeting.

Only Vijay Sabarwal is interested in this resolution

This may also be treated as an abstract of the Agreement entered into between the Company and. Vijay Sabarwal, pursuant to the provisions of Section 302 of the Companies Act 1956

The Directors recommend the resolution for the approval of the members



REPORT OF THE DIRECTORS

The Members,

Your Directors present the Twenty Fourth Annual Report and Audited Statement of Accounts for the year ended March 31, 2009

2. FINANCIAL RESULTS :

	Year ended March 31, 2009 INR in lacs	Year ended March 31, 2008 INR in lacs
Profit before interest, depreciation & taxes	671.18	330.94
Interest	103.82	55.20
Depreciation	184.79	114.30
Profit before taxation	382.57	161.44
Provisions for taxation		
- current tax	50.00	60.02
- deferred tax	59.16	12.36
- fringe benefits tax	7.00	6.50
Profit After Tax	266.40	82.56
Profit brought forward from previous year	470.85	388.29
Profit available for appropriation	737.25	470.85
Appropriations:		
Dividend	-	-
Corporate Dividend Tax	-	-
General Reserve	-	-
Profit Carried Forward to Balance Sheet	737.25	470.85

2. Dividend

In view of the on going investment your Directors have not recommended any dividends for the Financial Year 2008-09.

3. Operations

During the financial year, the turnover was Rs. 3343 lacs as compared to Rs 1947 lacs.

During the Current year the Company has completed and capitalized in its books the expansion/ modernisation of its plant aggregating to Rs. 2060.96 Lacs for increasing the total production by existing unit to 2500 MT. The project is completed during the year.

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To minimize the impact of the increase in the price of raw material and to maintain the best quality, the company has decided to involve the suppliers which are the established supplier to the Company's parent company production facility at UK. This will ensure maintenance of quality standard and product performance in the market.

4. Change in Shareholding pattern

The Morganite Crucible Ltd. UK has sold its 1% stock to general public during the year, therefore the shareholding pattern of Morganite crucible ltd. UK has reduced from 39.50% to 38.50 % and of public shareholding has increased from 24% to 25%

5. Statutory Disclosures

None of the Directors of your company is disqualified as per the provisions of Section 274 (1) (g) of the Companies Act 1956. Your Directors have made necessary disclosures, as required under various provisions of the Act.

The information given under Section 217(1)(e) of the Companies Act 1956 to be read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules 1988 as amended is enclosed as Annexure 'A'

The information to be given under Section 217 (2A) of the Companies Act 1956 to be read with Companies (Particular of Employees) rules 1975 as amended, is disclosed herein below:

Name & Qualification	Age in Years	Designation	Date of Employment	Gross Remuneration	Experience	Last Employment
Vijay Sabarwal, BE (Mech) IIT	43	CEO & WTD	10/04/2006	43,65,857	20 years	Director Plant Whirlpool of India Ltd

6. Future outlook

The Directors continue to invest in the company and are confident that this should improve the financial performance of the company, barring unforeseen circumstances.

7. Risk Management

The risk at various stages has been properly identified. Several risk based environment scanning process have been identified and formulated counter measures during the year. Such counter measures were incorporated in the strategic planning process of the Company. However considering the ongoing expansion activity the company will again scan the whole risk management process once the expansion gets completed.

8. Human Resource Management and Industrial Relations

Yours Company's HR focus is reflected in the vision and HR policy, which are directed on the following:

- Keeping work systems updated, to encompass new horizons of growth
- Identifying future leaders for growth and developing their capabilities
- Enabling employees to realize their full potential through learning, sharing and innovation, which shall successfully meet the business requirements of growth.



The human resource initiative that have been undertaken by the company, to achieve a sustainable competitive advantage, and employee perception understanding, establishment of key performance areas, extension of multi-skilling for workers and implementation of several recognition schemes for workers and employees and performance linked bonus system.

The Company conducts periodic health check ups of workers at the plant who work under challenging conditions. There is not major accident in the factory involving any workers.

Industrial relations during the year remained cordial

9. Directorate

James Philip Wright, retires from the Board on December 1, 2008 and John A.D. Maxwell was appointed as Additional Director on January 30, 2009. There was no other change in constitution of Board. The directors who are liable for retirement by rotation as per Article 112 being eligible offered themselves for reappointment.

10. 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 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.

11. Auditors & Audit Report

The Company's Auditors M/s. Price Waterhouse & Co to retires at the ensuing Annual General Meeting and being eligible have offered themselves for reappointment as statutory auditors. The audit report is self explanatory and does not require any comment from directors.

12. Acknowledgement

Your Directors record their appreciation for the support received from all stakeholders and the staff.

By Order of the Board of Directors

Aurangabad
June 13, 2009

Baljinder K Bandha
Director