

ANNUAL REPORT AND ACCOUNTS 2011-2012



MORGANITE CRUCIBLE (INDIA) LTD.



MORGANITE CRUCIBLE (INDIA) LIMITED27TH ANNUAL REPORT 2011-12

BOARD OF DIRECTORS	: Mr. John A. D. Maxwell Mr. Didier Francois Finck Mr. Stuart Alan Cox Mr. Hitesh Saiwal Mr. Sadanand Vasant Shabde Mr. H. S. Shirsat	Chairman (up to 15 th June 2011) Director Director Wholetime Director / Country Manager Independent Director Independent Director
COMPANY SECRETARY	: Mr. Anurag Geete	
AUDITORS' OF THE COMPANY	: BSR & Co., Chartered Accountants, Mumbai.	
BANKERS	: Axis Bank Ltd. The Hongkong and Shanghai Banking Corporation Ltd. State Bank of India	
REGISTERED OFFICE AND FACTORY	: B-11 MIDC Industrial Area Waluj, Dist - Aurangabad – 431 136 Maharashtra. India.	
INTERNAL AUDITOR	: Price waterhouse & Co. Chartered Accountants, Mumbai	

Registrar & Share Transfer Agent

SHAREPRO SERVICES (INDIA) PVT. LTD.

Samhita Warehousing Complex,

13 AB, Gala No. 52, 2nd Floor, Near Sakinaka

Telephone Exchange, Of. Kurla, Andheri Road,

Sakinaka, Mumbai – 400 072

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NOTICE TO THE MEMBERS

NOTICE is hereby given that the 27TH ANNUAL GENERAL MEETING of the Shareholders of MORGANITE CRUCIBLE (INDIA) LIMITED will be held on Friday, August 17, 2012 at 11:00 am at the Registered Office of the Company at: B-11 MIDC Industrial Area Waluj, Dist - Aurangabad – 431 136, Maharashtra. India, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report and the Audited Profit and Loss Account of the Company for the year ended on March 31, 2012 and the Balance Sheet of the Company as on that date along with Auditor's Report.
2. To declare a Dividend for the year ended 31st March 2012.
3. To appoint a Director in place of Mr. H S Shirsat, who retires by rotation and, being eligible, offers himself for re appointment.
4. To appoint a Director in place of Mr. Didier Fink, who retires by rotation and, being eligible, offers himself for re appointment.
5. To Re-appoint Auditors and to fix their remuneration.

“RESOLVED THAT M/s. BSR & Co., Chartered Accountants, (Firm Registration No. 101248W), be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors.”

Registered Office:
B-11 MIDC Industrial Area Waluj,
Dist - Aurangabad – 431 136,
Maharashtra. India
Date: 17th July 2012

By Order of the Board,

Hitesh Saiwal
Wholetime Director / Country Manager

Morganite Crucible (India) Limited

NOTES:

1. 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.
2. The register of members and the share transfer books of the Company will remain closed from August 11, 2012 to August 16, 2012 (both days inclusive)
- 3- In term of section 205C of the Companies Act 1956, all sums transferred to unpaid dividend account towards dividend for the financial year 2004-2005 and which remain unpaid or unclaimed will be transferred to the Investor Education & Protection fund of the Central Government on or after 21 July 2011 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 dividend, once the amount is transferred by the Company to the Investors Education and Protection Fund.

Registered Office:

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

By Order of the Board,

Hitesh Saiwal
Wholetime Director / Country Manager

Date: 17th July 2012

ANNXURE TO THE NOTICE

Explanatory Statement

Pursuant to Section 173(2) of the companies Act 1956 and clause 49 of the listing agreement in respect of item no. 3 & 4, following are the details.

Item No. 3 :

Mr. Didier Finck aged 52, is proposed to be reappointed as a Director, who is retiring by rotation at this AGM.
Mr. Finck is having 27 years of experience and have worked on various positions within Morganmms.
Mr. Finck is an Engineer-Metallurgy and Foundry.

Item No. 4 :

The Company proposes to reappointed Mr. Haushiram Shankarrao Shirsat as an Independent Director who is retiring by rotation at this AGM.
Mr. Haushiram Shankarrao Shirsat aged 62 is a retired joint Commissioner, Central Excise and Custom (IRS), having overall department experience of 37 years.
During his tenure he has served to various important offices of Central Excise and Custom department and having experience of handling many Indirect taxation matters. 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. Mr. Shirsat shall be paid only sitting fees within limits of The Companies Act 1956.
None of the other directors are interested in this resolution.
The Directors recommend the resolution for the approval of members.

None of the directors is interested in this resolution.
The Directors recommend the resolution for the approval of members.

Morganite Crucible (India) Limited

DIRECTORS' REPORT

The Members,

Your Directors present the 27th Annual Report together with the Audited Statement of Accounts of the Company for the period ended on March 31, 2012.

1. FINANCIAL RESULT:

(Rs. In Lacs)

Particulars	Year ended 31 March 2012	Year ended 31 March 2011
Profit before Interest, Depreciation and Taxation	1805.48	1364.96
Less: Interest	34.84	75.97
Less: Depreciation	347.52	346.97
Profit for the year before taxation	1423.12	942.02
Less: Provision for Taxation	514.54	447.13
Profit After Tax	908.58	494.89
Profit brought forward from the Previous Year	1914.21	1419.32
Profit carried to Balance Sheet	2822.79	1914.21

2. DIVIDEND:

Your Directors are pleased to recommend dividend on Equity shares of the Company at the rate of Rs. 1/- each share.

3. OPERATIONS :

During the financial year, the turnover was Rs. 78.96 Crores as compared to Rs. 67.13 Crores.

During the current year the Company has completed and capitalized in its books the expansion/modernisation of its plant to Rs. 173.28 Lacs. The Company has also started diversifying activities such as trading and manufacturing of Foundry Consumables and refractory materials for which company has started first phase of testing and development foundry lubricant i.e. Die lube in the previous year. For the Calendar Year 2011 total turnover of dielube business stood at 8.99 Lacs and Operating Profit was (-16.71) Lacs and for the half year from Jan 2012 to June 2012 total Turnover stood at 25.20 Lacs and Operative Profit was 64 thousand. We are expecting to accelerate this are in the coming years.

NEW INITIATIVES - Company has successfully implimented SAP Simultaneously MCIL & DCCL. The SAP implimentation is a step Towards moving on to becoming more system & process oriented company & achiving more transperancy, accountability & effective working. Company also ventured in to ferrous market & looking towards new opportunities to attain diversification. Ferrous market have very large potential wich was not explored by the company earlier.

4. PUBLIC DEPOSIT:

The Company has not invited deposit from the public during the year under report.

5. CAPITAL:

Company's paid up capital stood at Rs. 2.8 Crores as on 31st March 2012. There is no change took place during the year under review.

6. STATUTORY DISCLOSURES :

None of the Directors of your Company is disqualified as per the provision 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 (Disclosures of Particulars in the report of the Board of Directors) Rules 1988 as amended is enclosed as Annexure 'A'

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, None of the employees are getting salary above the specified limits hence not discloses here. However, Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

7. AUDITORS:

The Company's Auditors M/s BSR & Co. to retire at the ensuing Annual General Meeting and being eligible have offered themselves for reappointment as statutory auditor. The notes of the Auditors and other notes on accounts are also self-explanatory.

8. DIRECTORS:

Two of your Directors namely Mr. H. S. Shirsat and Mr. Didier Finck retire by rotation in terms of the Articles of Association of the Company. They, being eligible, have offered themselves for reappointment.

9. FUTURE OUTLOOK :

With the optimistic growth of the Indian economy the demand for the Company's product is expected to pick up. Further with the agreement for providing services the company would get technical knowhow from the parent company and is therefore expected to improve the quality of the product significantly. The Directors are reasonably confident that with these changes the performance of the Company would improve barring unforeseen circumstances. Considering the same fact your company has entered into an agreement with The Morgan Crucible Company Plc UK for providing management services in the area of planning, sales, accounts, HR policies and various other commercial aspects. The benefit is seen in the year under review. Your Directors have also executed an agreement with The Morgan Crucible Company Plc UK for use of trade mark logo and GBU charges.

10. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors 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 31st March, 2012 being end of the financial year 2011-12 and of the profit of the Company for the year;
- (iii) that the Directors have taken proper and sufficient care for 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;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

11. Risk Management:

The Company's properties continued to be adequately insured against risks such as fires, riots etc.

12. Corporate Governance :

A report on Corporate Governance has been provided as separate part of this report. Management Discussion and Analysis Report is attached and forming part of Annual Report.

13. Subsidiary Company Accounts :

Ministry of Corporate Affairs vide their General Circular no. 2/2011 dated 08.02.2011 given general exemption to companies under section 212 from attaching subsidiaries accounts with holding company's balance sheet however consolidated accounts are provided with this report and annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the holding and subsidiary companies seeking such information at any point of time and also it will be available at the head office of the company and will be open for inspection on demand during office hours.

14. ACKNOWLEDGEMENT :

Your directors take this opportunity to offer their sincere thanks to various Departments of the Central and State Governments, our Bankers, Share holders, Customers, employees & consultants for their unstinted support and assistance.

For and on behalf of the Board,

Place: Aurangabad
Date: 17th July 2012

Hitesh Saiwal
Wholetime Director / Country Manager

Sadanand V. Shabde
Director

Morganite Crucible (India) Limited

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2011 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

Electrical Energy

Your Board is committed for clean and healthy environment. In the process to achieve the same the implementation of energy saving methods done in the past continues to give benefits. Monitoring & Control of loading process of Kiln has reduced the number of firing which ultimately help in lower consumption of energy.

Fuel : FUEL Consumption

Installation of Flow meter at various points has helped in monitoring in LPG consumption which in return has resulted in lower consumption and control of wastage. Also during the year under review the production process concerning heating cycles was under review and improvements were done in the process which resulted in low LPG consumption.

b. Additional Investments and proposals if any, for reduction of consumption of energy.

No major investment has been done. Proposals are there for more quality and process check to maintain wastage to NIL and increase in capacity utilization maintaining optimum consumption of energy in terms of per tone. Special emphasis is being provided on process control and quality check to eliminate leakage of energy if any.

c. Impact of (a) & (b)

: Reduction is reflected in consumption of electricity energy and LPG considering the increase in cost of Electricity and LPG products over past year.

d. Total Energy Consumption

As per Form A 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		
	2011-12	2010-11		2010-11	2010-11
1. Electricity			Product		
a. Purchased			Silicon Carbide Crucibles & Accessories (MT)Units		
				1652475	1675780
	3281.153	3344.61			
Total Amount Rs.	9807580	9690010	Clay Graphite Crucibles & Accessories (MT)	447.80	401.45
			Total (MT)	3728.953	3746.06
Rate/Unit Rs	5.93	5.78	Electricity consumed units		
b. Own Generation :			(including in house generation)		
Units	14532	5924	Units	1667007	1681704
Diesel Consumption (Ltrs.)	3680	1779	Ele (Kwh)/MT Prod	447.04	448.93
Diesel rate/Lit Rs	60.33	41.97	a. Silicon Carbide	393.36	400.82
Cost of Unit generation Rs.	15.27	12.60	b. Clay Graphite	53.68	48.11
2. (LPG Consumed)					
Quantity (MT)	1181.21	1275.46	LPG (KGS) prod (KG/MT)	316.77	340.48
Total Cost Rs.	59757515	51685340	a. Silicon Carbide	278.73	303.99
Rate/KG Rs.	50.59	40.52	b. Clay Graphite	38.04	36.49