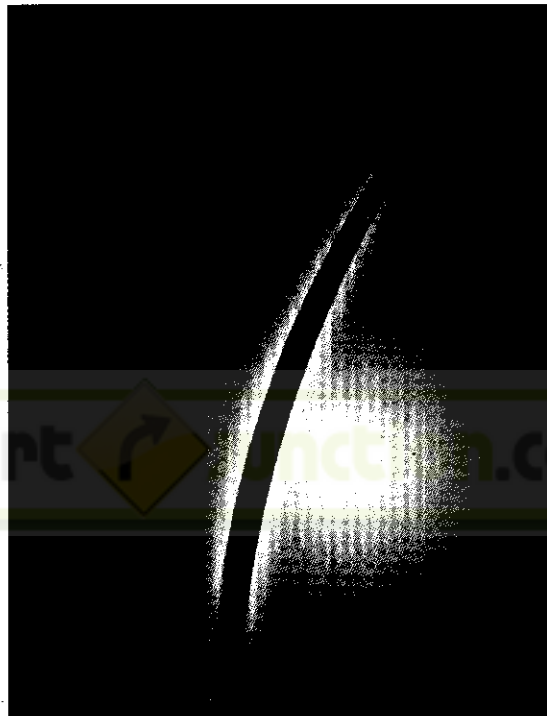


ANNUAL REPORT AND ACCOUNTS
1999-2000



EXPANDING AND DIVERSIFYING
INTO NEW FRONTIERS



GREAVES MORGANITE CRUCIBLE LIMITED

CONTENTS

Board of Directors	.....	3
Notice	.....	4
Report of the Directors	.....	5
Auditors' Report	.....	10
Balance Sheet	.....	12
Profit and Loss Account	.....	13
Schedules forming part of the		
Balance Sheet and Profit and Loss Account	.....	14
Cashflow Statement	.....	23
Shareholder Information	.....	25

BOARD OF DIRECTORS

S.N. TALWAR Chairman

P. SACHDEV

S.K. ROY

J.P. WRIGHT

J. HALFORD

D. FINCK

W. LIPHARDT

SECRETARY

N.N. THAKORE

AUDITORS

PRICE WATERHOUSE & Co.

SOLICITORS

CRAWFORD BAYLEY & COMPANY

BANKER

STATE BANK OF INDIA

REGISTERED OFFICE

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



NOTICE TO MEMBERS

NOTICE is hereby given that the Fifteenth Annual General Meeting of GREAVES MORGANITE CRUCIBLE LIMITED will be held on Friday, 18th August, 2000 at 12.00 Noon at the Registered Office of the Company at B-11, MIDC Industrial Area, Waluj, Aurangabad 431 136 to transact the following business:

1. To receive and adopt the Audited Balance Sheet as at 31st March, 2000 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 appoint Auditors to hold office for the period from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

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 SHOULD HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE MEETING.
- b. The Register of Members of the Company will remain closed on 17th August and 18th August, 2000.
- c. The Directors currently on the Board who are liable to retire were appointed by the shareholders by the system of proportional representation at the Extraordinary General Meeting held on 19th November, 1999 and as such will continue to hold office for three years from the date of their appointment viz. 19th November, 1999.

Registered Office

B-11, MIDC Industrial Area,
Waluj, Aurangabad 431 136,
Dated : 26th May, 2000.

By Order of the Board of Directors

N.N. THAKORE
Secretary

REPORT OF THE DIRECTORS

Your Directors submit herewith the Fifteenth Annual Report and Audited Statement of Accounts for the year ended 31st March, 2000.

2. FINANCIAL RESULTS

	Year ended 31.03.2000	Year ended 31.03.1999
	Rs.	Rs.
Profit before interest and depreciation	2,40,25,566	1,85,54,000
Interest	19,08,950	23,14,388
Depreciation	24,40,069	19,27,397
Profit before taxation	1,96,76,547	1,43,12,215
Provision for taxation	74,00,000	47,50,000
Add: Short provision for earlier years	—	696
	74,00,000	47,50,696
Profit After tax	1,22,76,547	95,61,519
Profit brought forward from previous year	28,31,656	7,56,537
Profit available for appropriation	1,51,08,203	1,03,18,056
Appropriations :		
Interim Dividend	47,82,647	—
Proposed Final dividend	—	22,40,000
Corporate Dividend Tax	5,26,092	2,46,400
General Reserve	50,00,000	50,00,000
Profit carried forward to Balance Sheet	47,99,464	28,31,656
	1,51,08,203	1,03,18,056

3. DIVIDEND

Your Directors have confirmed the interim dividend of 25% as the final dividend for the year ended 31st March, 2000 as against 16% for the previous year.



4. PREFERENTIAL ALLOTMENT OF EQUITY SHARES

During the year under report, a Preferential allotment of 14,00,000 Equity Shares of the face value of Rs. 10/- each was made at a price of Rs. 35/- per Equity Share for cash to Morgan Terrassen B.V., (TERRASSEN) a Company belonging to the Morgan Group to which the Company's foreign promoter Morganite Crucible Ltd. (MCL) also belongs and to Greaves Limited. With this, the combined Equity holding of the Morgan Group represented by MCL and TERRASSEN in the Company has risen to 50.5%, while that of Greaves Limited to 25.5% of the Company's expanded paid up Equity Capital which now stands doubled from Rs. 140 lacs to Rs. 280 lacs.

The funds raised from this allotment aggregating Rs. 490 lacs are being utilised by the Company for expansion of capacity of the current range of Silicon Carbide Crucibles and for putting up a new facility for manufacture of Clay Graphite Crucibles and progress of the project is satisfactory.

5. OPERATIONS

The Directors have pleasure in advising that the operations of the Company have resulted in a healthy growth of 13% in turnover at Rs. 967 lacs as against Rs. 854 lacs in the previous year. The Profit after taxes showed a quantum jump of 28% at Rs. 123 lacs as against Rs. 96 lacs in the previous year. With increased emphasis on special purpose needs of customers backed by an expanded product range enabled the Company to improve its profitability. Barring unforeseen circumstances, with the proposed addition of Clay Graphite Crucibles to the Company's Product range and the availability of the expertise of the Foreign Collaborator combined with the access to the global market pursuant to the understanding with the Foreign Promoter, your Directors expect the growth trend to continue during the current year.

5.1. EXPORTS

The Crucibles manufactured by the Company can now be exported worldwide through the marketing network of Morganite Crucible Ltd.

6. DIRECTORATE

At an Extraordinary General Meeting of the Company held on 19th November, 1999 Messrs J Halford, Didier Finck, W Liphardt, S.K. Roy and S.N. Talwar were appointed Directors by the system of proportional representation. They accordingly shall hold office for a period of 3 years from the date of their appointment i.e., 19th November, 1999 and shall not be liable to retire. Messrs J. P. Wright and P. Sachdev have been respectively nominated by Morganite Crucible Limited and Greaves Limited as their Nominee Directors on the Board of the Company who shall not be liable for retirement.

Messrs N. G. Howard, S. Datta, V. Venkataraman and R. R. Chari resigned from the Board of Directors of the Company on 14th October 1999. The Board wishes to place on record their deep appreciation of the valuable services rendered by them during their tenure as Directors.

7. PERSONNEL

Industrial relations during the year have been cordial. The Directors take this opportunity to record their appreciation for the sincere and devoted efforts of the management, staff and workers during the year.

8. Y2K COMPLIANCE

The transition to Y2K was smooth.

9. 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 1 forming part of this Report.

10. PARTICULARS OF EMPLOYEES

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

11. AUDITORS

The Company's Auditors Messrs. Price Waterhouse & Co. have signified their willingness to be re-appointed Auditors of the Company and a resolution will be submitted for their re-appointment and to fix their remuneration.

12. ACKNOWLEDGEMENT

Your Directors record their appreciation of the continued support received from the Company's Bankers and the Company's Collaborators.

On behalf of the Board of Directors

Mumbai
26th May, 2000.

Report  junction.com

S.N. TALWAR
Chairman



ANNEXURE - 1

Annexure to Directors' Report for the year ended 31st March, 2000
Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
Section 217(1)(e) of the Companies Act, 1956

**The Companies (Disclosure of Particulars in the Report of
the Board of Directors) Rules, 1988.**

A. CONSERVATION OF ENERGY

- | | |
|---|--|
| a. Measures taken | : 1. Refractories behind the kiln were replaced to reduce heat leakage. Ceramic modules replaced at regular intervals.
2. Design of Burner block changed due to which downtime minimized and equipment utilized at optimum level.
3. Stream lined process, intermittent heating is done whenever required to reduce LPG consumption. |
| b. Additional Investments and proposals, if any, for reduction of consumption of energy | : 1. Modernisation of heating system for Borax melting furnace & impregnation tank.
2. Heat Exchangers for both existing & new H T Kiln, to utilise hot gases and reduce LPG consumption. |
| c. Impact of (a) & (b) | : There is decrease in LPG consumption per MT of production over last year's consumption |
| d. Total Energy Consumption | : As per FORM - A given below in respect of industries specified in the 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**

	1999-2000	1998-99		1999-2000	1998-99
1. Electricity			Product		
a. Purchased :			Silicon Carbide		
Units -	499461	477997	Crucible		
Total amount Rs.	21,72,240	20,03,597	+ Accessories	1035.04 MT	919.17 MT
Rate/Unit Rs.	4.34	4.19			
b. Own Generation :			Electricity incl.		
Units	7852	10580	in house	507313 Units	488577 Units
Diesel consumption	1883 Lit.	3215 Lit.			
Rate/Lt.					
Diesel Rs.	16.80	12.14			
Rate/unit Rs.	4.02	3.69			
2. Others (LPG)			Others(LPG)	335.54 MT	325.16 MT
Quantity (MT)	335.54	325.16			
Total cost Rs.	49,07,534	35,27,410	LPG(KGS)/		
Rate/Unit (Kg) Rs.	14.77	10.85	MT Prod.	324.19 KG	353.75 KG
			Ele(Kwh)/	490.14/MT	531.54/MT
			MT Prod.		

FORM B**B. TECHNOLOGY ABSORPTION**

- | | | |
|--|---|---|
| 1) Specific areas | : | Development of Crucibles for special applications. |
| 2) Benefits derived / to be derived | : | Increase in market share. |
| 3) Future plan of action | : | To develop materials and process for special applications |
| 4) Expenditure on R&D | | |
| a) capital | : | Rs. 1.26 lacs |
| b) Recurring | : | Rs. 3.95 lacs |
| c) Total | : | Rs. 5.21 lacs |
| d) Total R&D expenditure as a percentage of turnover | : | 0.54% |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | | | | | | |
|--------------------------------|----------------|--|--------------------------------|----------------|------------------------------|---------------|
| 1) Efforts | : | Crucibles manufactured by the Company have been exported to Egypt, Srilanka and Nepal through the Company's Concessionaries and as per new set up (effective from 1.11.99) crucibles have been exported to Korea & UK. | | | | |
| 2) Earnings and outgo | : | <table border="0"> <tr> <td>i) Foreign exchange earnings :</td> <td>Rs. 14.47 lacs</td> </tr> <tr> <td>ii) Foreign exchange outgo :</td> <td>Rs. 7.31 lacs</td> </tr> </table> | i) Foreign exchange earnings : | Rs. 14.47 lacs | ii) Foreign exchange outgo : | Rs. 7.31 lacs |
| i) Foreign exchange earnings : | Rs. 14.47 lacs | | | | | |
| ii) Foreign exchange outgo : | Rs. 7.31 lacs | | | | | |