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ANNUAL REPORT AND ACCOUNTS 2002 - 03



GREAVES MORGANITE

GREAVES MORGANITE CRUCIBLE LTD.

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BOARD OF DIRECTORS

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

P. Sachdev

S. K. Roy (up to 24/3/2003)

J. P. Wright

S. Halliday

D. Finck

P. Davies

D. Ramesh Kumar (w.e.f. 20/5/2003)

SECRETARY

S. V. Joshi

AUDITORS

Price Waterhouse & Co.

SOLICITORS

Crawford Bayley & Company

BANKER

State Bank of India

REGISTERED OFFICE

B-11, MIDC, Industrial Area,

Waluj - 431 136, Dist. - Aurangabad.

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Greaves Morganite Crucible Limited

NOTICE TO MEMBERS

NOTICE is hereby given that the Eighteenth Annual General Meeting of GREAVES MORGANITE CRUCIBLE LIMITED will be held on Tuesday, July 29, 2003 at 12.00 Noon at B-11, MIDC, Waluj - 431 136, Dist. Aurangabad, to transact the following business :

1. To receive and adopt the Audited Balance Sheet as at 31st March, 2003 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 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 and Transfer Books of the Company will remain closed from Monday, July 21, 2003 to Tuesday, July 29, 2003 (both days inclusive).

c. 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 July 29, 2003. The dividend warrants will be sent to them within 30 days from declaration.

Registered Office :
B-11, MIDC, Industrial Area,
Waluj - 431 136, Aurangabad.
Dated : 20th May, 2003

By Order of the Board of Directors

S. V. JOSHI
Secretary

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REPORT OF THE DIRECTORS

The Members,

Your Directors submit herewith the Eighteenth Annual Report and Audited Statement of Accounts for the year ended 31st March, 2003.

2. FINANCIAL RESULTS

	Year ended 31.3.2003 Rs.	Year ended 31.3.2002 Rs.
Profit before interest and depreciation	**2,93,49,783**	2,74,99,794
Interest	**9,66,072**	13,24,794
Depreciation	**57,19,465**	57,16,154
Profit before taxation	**2,26,64,246**	2,04,58,846
Provision for taxation		
- Current tax[including Rs.1,57,989 (previous year Rs.Nil) for earlier years]	**64,57,989**	45,00,000
- Deferred tax	**11,44,000**	18,89,000
	76,01,969	63,89,000
Profit After tax	**1,50,62,257**	1,40,69,846
Profit brought forward from previous Year	**89,74,829**	69,04,983
Profit available for appropriation	**2,40,37,086**	2,09,74,829
Appropriations :		
Proposed Dividend	**70,00,000**	70,00,000
Corporate Dividend Tax	**8,96,875**	NIL
General Reserve	**70,00,000**	50,00,000
Profit carried forward to Balance Sheet	**91,40,211**	89,74,829
	2,40,37,086	2,09,74,829

3. DIVIDEND

Your Directors recommend a dividend of 25% for the year ended 31st March, 2003.

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4. OPERATIONS

Your Directors report that the Company achieved a turnover of Rs. 1260 lacs as against Rs. 1012 lacs in the previous year. Although the sales grew by about 24%, the profit before tax is higher by 10%. However, the margins were under pressure due to higher input cost and other operating costs.

5. EXPORTS

Exports shot up by 59% to Rs. 313.12 lacs (Rs. 196.53 lacs) and is mainly due to robust growth in export of Silicon Carbide Crucibles.

6. FUTURE OULOOK

In the immediate short term, segment of Silicon Carbide Crucibles looks quite promising. With the initial teething problem having been resolved in respect of Clay graphite Crucibles, the future outlook is encouraging, particularly for exports.

7. DIRECTORATE

Messrs. S.N. Talwar, S.K. Roy, D. Finck, Simon Halliday and P. Davies were appointed as Directors of the Company by a system of proportional representation in accordance with Article 122 (i) (e) of Articles of Association, at the Annual General Meeting held on July 19, 2002 for a period of three years i.e. upto the date of the Annual General Meeting of the Company to be held in the year 2005. Mr. J. P. Wright and Mr. P. Sachdev are the non-retiring Directors of the Company.

Mr. S. N. Talwar had resigned effective May 16, 2003 and he has been appointed as Alternate Director for Mr. Didier Finck. Consequent to his retirement from the services of Greaves Limited Mr. S. K. Roy, tendered his resignation from the Board of the Company and the Board had appointed Mr. D. Ramesh Kumar as a Director to fill the vacancy caused by resignation of Mr. Roy.

8. DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm :

1. that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

2. that the Directors had selected such accounting policies and applied them consistently and made judgements 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 or loss of the company for that period;

3. that the Directors had 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. that the Directors had prepared the Annual Accounts on going concern basis.

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9. AUDITORS

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

10. PERSONNEL

Industrial relations during the year remained cordial.

11. 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.

12. 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.

13. ACKNOWLEDGEMENT

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

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For and on behalf of the Board of Directors

Mumbai
20th May, 2003

S. N. TALWAR
Director

P. SACHDEV
Director

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ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2003

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

Along with Power Factor improvement system, Beblec make energy saver is installed. The Power Factor is maintained at 0.99 or unity. Due to these systems, there is reduction in consumption of KWH/ MT production.

Fuel : LPG Consumption

To measure, more precisely the LPG consumption two numbers of Gas Totalisers were procured and installed on Kilns. Replacement of modules and refractories is carried out on regular basis. Loading of the ware is also optimized. However during the year the controlling instruments showed malfunctioning resulting in inconsistent sintering of product. The unsintered products were resintered. This has resulted in higher LPG consumption per metric ton.

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

a. For Kiln No.1 new programme along with air/gas ratio regulator is being procured from UK. This will help to reduce % of unsintered product and improve quality of product. An amount of Rs.0.34 lacs is considered for procurement of imported instruments.

b. For Kiln No.2 the entire specifications are being studied and to improve performance of Kiln, modification of Kiln is under study. The main aim of modification is

a. to reduce sintering temperature and thus reduce LPG consumption
b. to minimise expenses on refractory consumption.
c. Improve automation to increase efficiency and improve product quality. The modification cost is estimated at Rs.12.00 lacs.

c. Impact of (a) & (b) : Expected to reduce LPG Consumption

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

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FORM A

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

A. Power and Fuel Consumption

	2002-03	2001-02
1. Electricity		
a. Purchased		
Units	571927	674960
Total Amount Rs.	2402093	2753245
Rate/Unit Rs	4.20	4.08
b. Own Generation :		
a. Units	8002	6525
b. Diesel Consumption	2857 Ltr	2187 Ltr.
c. Diesel rate/Lit Rs	22.14	19.56
d. Diesel/Unit generation	7.84	6.55
2. Others (LPG)		
Quantity (MT)	497.00	403.20
Total Cost Rs.	9110812	7094377
Rate/unit(Kg) Rs.	18.33	17.60

B. Consumption per unit of Production of Electricity

	2002-03	2001-02
Product		
Silicon Carbide		
Crucibles + Acc	1176.81 MT	956.19 MT
Clay Graphite	50.95 MT	80.14 MT
Crucibles +		
Accessories		
Electricity		
including in house		
Generator	579929	681485
Ele(Kwh)/MT Prod.	472.35 Kwh	657.13 Kwh
Others (consumption per		
Unit of production of LPG)		
a. Silicon Carbide	416.07 MT	306.268 MT
b. Clay Graphite	80.935 MT	96.32 MT
LPG (Kgs)/MT prod		
a. Silicon Carbide	353.65 Kg/MT	320.05 Kg/MT
b. Clay Graphite	1588.52 Kg/MT	1209.53 Kg/MT

FORM B

A. RESEARCH & DEVELOPMENT

1.	Specific Areas	:	Nothing specific
2.	Benefits derived/to be derived	:	–
3.	Future plan of action :		–
4.	Expenditure on R & D	:	
a.	Capital		Rs. Nil
b.	Recurring		Rs. 845000.00
c.	Total		Rs. 845000.00
d.	Total R & D expenditure as a percentage of Turnover		0.67 %

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Efforts made	:	–
Benefits derived	:	–

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings and outgo

1) Foreign Exchange Earnings : Rs. 313.32 Lacs

2) Foreign Exchange Outgo : Rs. 60.94 Lacs

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