

ANNUAL REPORT AND ACCOUNTS 2003 - 04

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BOARD OF DIRECTORS

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

P. Sachdev

J. P. Wright

S. Halliday

D. Finck

P. Davies

S. K. Basu (w.e.f. 26/5/2004)

D. Ramesh Kumar (upto 26/5/2004)

SECRETARY

S. V. Joshi

AUDITORS

Price Waterhouse & Co.

SOLICITORS

Crawford Bayley & Company

BANKERS

State Bank of India

UTI Bank Ltd.

REGISTERED OFFICE & WORKS

B-11, MIDC, Industrial Area,

Waluj - 431 136, Dist. - Aurangabad.

Greaves Morganite Crucible Limited

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Nineteenth Annual General Meeting of GREAVES MORGANITE CRUCIBLE LIMITED will be held on Tuesday, July 27, 2004 at 12.00 Noon at B-11, MIDC, Waluj - 431 136, Dist. Aurangabad, Maharashtra to transact the following business.

1. To receive and adopt the Audited Balance Sheet as at 31st March 2004 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors.
2. To declare a Final 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.

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

RESOLVED that pursuant to Section 31 of the Companies Act, 1956 the existing Article 119 (3) of the Articles of Association be and it is substituted by the following:

“119(3) - The Directors [other than Managing/Whole Time Director(s)] shall be entitled to such fee for attending each meeting of the Board or Committee thereof as may be determined by the Directors from time to time within the limits prescribed under “the Act” from time to time”.

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

RESOLVED that pursuant to provision of Section 198, 309 and other applicable provisions, if any, of the Companies Act 1956 (the Act) Commission not exceeding 1% per annum of the net profits of the Company computed in accordance with the provisions of Section 349 and 350 of the Act, be paid to and distributed amongst the Non-Executive Directors of the Company or some or any of them in such amounts or proportion and in such manner as may be decided by the Board of Directors or Committee thereof and such payments shall be made in respect of the profits of the Company for each financial year for a period of five financial years commencing from 1st April 2003.

NOTES :

The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of item Nos. 4 and 5 of the Notice above, is annexed hereto.

- 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 Wednesday, July 21, 2004 to Tuesday, July 27, 2004 (both days inclusive).
- c. The Final 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 21, 2004. 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 : May 26, 2004

By Order of the Board of Directors

S.V.JOSHI
Secretary



ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173 of the Companies Act 1956 in respect of Item No. 4 & 5 of the accompanying Notice dated 26th May, 2004.

Item No. 4

The Directors of the Company are currently paid sitting fee of Rs. 2000/- for each meeting of the Board or Committee thereof attended by them. As per the provisions of the Companies Act 1956, your Company can pay sitting fee of upto Rs. 20,000/- per meeting to the Directors of the Company for attending the meetings of the Board or Committee. The Members are aware that the Directors have to spend lot of their valuable time for steering the growth of the Company and therefore, should be paid adequately. To facilitate payment of increase in sitting fees as per the provisions of Articles of Association, your approval is required and, therefore, the Company seeks the alteration in Articles of Association for empowering the Board of Directors of the Company to determine the amount of sitting fees from time to time.

Item No. 5

The Members are aware that the Directors other than the Managing / Whole Time Director(s) are entitled for remuneration for the services rendered by them to the Company and can be remunerated by way of monthly, quarterly or annual payments or by way of commission if approved by the Members by a Special Resolution. The Company proposes to remunerate the Non-Working Directors by way of commission in aggregate upto 1% of the net profit of the Company computed in accordance with the Sections 349 & 350 of the Companies Act, 1956. Your approval is, therefore, sought to enable the Company to pay such commission.

All the Directors of the Company may be deemed to be interested in passing of the Resolutions at item Nos. 4 & 5.

Documents for Inspection

The Memorandum and Articles of Association of the Company containing the proposed amendment to Article No. 119(3) is available for inspection of Members at the Registered Office of the Company on any working day between 11 a. m. and 1 p.m. upto the date of the AGM.

By Order of the Board of Directors

S.V.JOSHI
Secretary

Registered Office :

B -11, MIDC, Industrial Area,

Waluj - 431 136, Aurangabad.

Dated : May 26, 2004

Greaves Morganite Crucible Limited**REPORT OF THE DIRECTORS**

The Members,

Your Directors have pleasure in presenting the Nineteenth Annual Report and Audited Statement of Accounts for the year ended 31st March, 2004.

2. FINANCIAL RESULTS

| | Year ended 31.3.2004 Rs. | Year ended 31.3.2003 Rs. |
|---|---|---|
| Profit before interest and depreciation & Tax | 38,686,130 | 29,349,783 |
| Interest | 101,245 | 966,072 |
| Depreciation | 5,474,245 | 5,719,465 |
| Profit before taxation | 33,110,640 | 22,664,246 |
| Provision for taxation | | |
| - Current tax | 9,459,161 | 6,457,989 |
| - Deferred tax | 1,858,659 | 1,144,000 |
| Profit After tax | 21,792,820 | 15,062,257 |
| Profit brought forward from previous Year | 9,140,211 | 8,974,829 |
| Profit available for appropriation | 30,933,031 | 24,037,086 |
| Appropriations | | |
| Dividend | | — |
| Interim Dividend | 4,200,000 | |
| Final | 4,760,000 | 7,000,00 |
| | 8,960,000 | 7,000,00 |
| Corporate Dividend Tax | 1,148,000 | 896,875 |
| General Reserve | 11,000,000 | 7,000,000 |
| Profit carried forward to Balance Sheet | 9,825,031 | 9,140,211 |
| | 30,933,031 | 24,037,086 |

3. DIVIDEND

Your Directors had declared an interim dividend at the rate of 15% for the financial year ended 31st March 2004. In view of the excellent working of the Company during the financial year your Directors are pleased to recommend a final dividend of 17% for the year ended 31st March 2004, thus making the total dividend to 32% as compared to 25% in the previous year.

4. OPERATIONS

During the financial year, the Turnover grew by 10.3% as compared to the previous year. There has been a significant improvement in the profitability, the profit after tax moving up by 44.68% as compared to the previous year. This has been possible due to stringent measures taken for cost reduction and better realization on account of higher exports.

5. EXPORTS

In view of shift in metal activities from European countries to Middle East, Egypt, China and India, there has been growth in demand for Silicon Carbide Crucibles. This is well reflected by the significant increase in Company's exports by 34% to Rs. 422 lacs as against Rs. 313 lacs in the previous year.



6. FUTURE OUTLOOK

Your Directors are pleased to report that the Company continues to sustain its leadership in the market. The Company has taken adequate measures to counter the challenges faced by stiff competition from some of the local players. Your Directors are hopeful of encouraging performance in the near future barring unforeseen circumstances.

7. DIRECTORATE

Messrs. 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 3 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 was appointed as Alternate Director for Mr.D.Finck During the current year, Mr.D.Ramesh Kumar has resigned from the Board of Directors of the Company. Consequent upon nomination by Greaves Cotton Limited, Mr. S. K. Basu has been inducted on the Board to fill the casual vacancy caused by the resignation of Mr. D. Ramesh Kumar. Your Directors wish to place on record their sincere appreciation for the contribution made by Mr. D. Ramesh Kumar during his short tenure as a Director.

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 the 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.

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 Company's Bankers, Collaborators and its staff.

For and on behalf of the Board of Directors

Mumbai
26th May 2004.

S.N.TALWAR
Director

P.SACHDEV
Director

Greaves Morganite Crucible Limited**ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2004****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**

Due to installation of Power Factor improvement system and Beblec Energy Saver, the power factor is maintained at 0.99 or unity and it has resulted in lowering rate from Rs. 4.20 per unit to Rs. 3.85 per unit.

Fuel : LPG Consumption

Measure, taken during previous year has resulted in lowering LPG consumption per MT of production. Imported instruments installed to further automate the operations.

b. Additional Investments and proposals if any, for reduction of consumption of energy. : Imported instruments like electrically operated gas shut valves, Gas Governors, Gas filter, Actuator valuing Rs. 0.75 Lacs will be procured and shall be installed on Kiln No. 2.

c. Impact of (a) & (b) : Expected to reduce LPG/Electricity consumption on Kiln No.2.

d. Total Energy Consumption : As per Form A, given below 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**

| | <u>2002-03</u> | <u>2003-04</u> | | <u>2002-03</u> | <u>2003-04</u> |
|-------------------------------|----------------|----------------|--------------------------------|----------------|----------------|
| 1. <u>Electricity</u> | | | <u>Products</u> | | |
| a. <u>Purchased</u> | | | Silicon Carbide | | |
| Units | 5,71,927 | 7,28,540 | Crucibles & Accessories | 1176.81 MT | 1197.81 MT |
| Total Amount Rs. | 2,402,093 | 2,807,202 | Clay Graphite | | |
| | | | Crucibles & Accessories | 50.95 MT | 87.64 MT |
| Rate/Unit Rs | 4.20 | 3.85 | Total | 1227.76 MT | 1285.45 MT |
| b. <u>Own Generation</u> | | | Electricity consumed | | |
| | | | (including in house generator) | 579929 Units | 738962 Units |
| Units (Nos.) | 8,002 | 10,422 | Electricity (Kwh)/MT Prod. | 472.35 | 574.80 |
| Diesel Consumption (Ltrs.) | 2,857 | 3,085 | | | |
| Diesel rate(Ltrs) (Rs) | 22.14 | 26.50 | | | |
| Cost of Unit generation (Rs.) | 7.90 | 7.84 | <u>Others (LPG Consumed)</u> | | |
| | | | a. Silicon Carbide | 416.07 MT | 418.88 MT |
| | | | b. Clay Graphite | 80.935 MT | 83.84 MT |
| 2. <u>Others (LPG)</u> | | | LPG (Kgs)/MT prod | | |
| Quantity (MT) | 497.00 | 498.72 | a. Silicon Carbide | 353.65 | 346.34 |
| Total Cost Rs. | 9,110,812 | 10,664,831 | b. Clay Graphite | 1588.52 | 955.22 |
| Rate/unit(Kg) Rs. | 18.33 | 21.38 | | | |

Greaves Morganite Crucible Limited

FORM B**A. RESEARCH & DEVELOPMENT**

1. Specific Areas : More sophistication in process control particularly in
 - a. Controlling Binder Temperature
 - b. Controlling wet mix temperature
 - c. Improving the special coat application on crucible
2. Benefits derived/to be derived : Superior product in Brass/Copper melting operations.
3. Future plan of action : To develop special material / model and new products required in Ferrous melting operations.
4. Expenditure on R & D :
 - a. Capital Rs. 1.652 Lacs
 - b. Recurring Rs. 9.338 Lacs
 - c. Total Rs.10.990 Lacs
 - d. Total R & D expenditure as a percentage of Turnover 0.79 %

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- Efforts made : Nil
- Benefits derived : Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Earnings and outgo
 - 1) Foreign Exchange Earnings : Rs. 42,168,816
 - 2) Foreign Exchange Outgo : Rs. 6,720,726