

ANNUAL REPORT AND ACCOUNTS 2006-2007



MORGANITE CRUCIBLE (INDIA) LTD.



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BOARD OF DIRECTORS

James Philip Wright

Didier Finck (w.e.f. 06.06.2006)

Stuart Alan Cox

Baljinder Kumar Bandha

Vijay Sabarwal (w.e.f. 10.04.2006)
(Chief Executive Officer)

SECRETARY

Md. Abdul Nadeem

AUDITORS

Price Waterhouse & Co.

SOLICITORS

Crawford Bayley & Company

BANKER

UTI Bank Ltd

HSBC Ltd

REGISTERED OFFICE

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

Web site

www.morganmms.com

E-mail : investors@mciltd.co.in

Morganite Crucible (India) Limited

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Twenty Second Annual General Meeting of Morganite Crucible (India) Limited will be held on Tuesday August 7, 2007 at 1.00 pm at B – 11 MIDC, Waluj, Aurangabad - 431136 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2007 and the Profit and Loss Account as on that date along with the reports of the Directors and Auditors thereon.
2. To reappoint M/s. Price Waterhouse & Co. as Auditors of the Company and to fix their remuneration.
3. Mr. J P Wright & Mr. S A Cox liable to retire by rotation as per Article 112, being eligible offer themselves for re-appointment.

Special Business

4. To consider and if thought fit to pass with or without modification as a Special resolution:

“Resolved that the Board of Directors of the Company be and is hereby authorised, pursuant to the provisions of Section 293 (1)(a) & (d) of the Companies Act 1956, to borrow money, from time to time, at its discretion either from the Company’s Banker or any other bank, financial institution, foreign equity holder or any other lending institutions or persons on such terms and conditions as may be considered suitable by the Board of Directors up to a limit not exceeding in the aggregate Rs 150 million notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company’s banker in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose.”

“Resolved further that the Board of Directors be authorised to create any charge by way of mortgage, on the assets of the company for the purpose of such borrowings, and such creation of charge shall be binding on the company.”

Registered Office :

B – 11. MIDC Industrial Area
Waluj - 431 136, Dist. Aurangabad
Date : June 25, 2007

By Order of the Board of Director

Md Abdul Nadeem
Company Secretary



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 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 item No. 4 above is annexed.
- c. The register of members and the Share Transfer books of the Company will remain closed from August 01, 2007 to August 07, 2007 (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 1999 - 2000 and which remain unpaid or unclaimed, will be transferred to the Investor Education and Protection Fund of the Central Government on or after August 18, 2007 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.



Morganite Crucible (India) Limited

ANNEXURE TO THE NOTICE**Explanatory Statement**

Pursuant to Section 173 (2) of the Companies Act 1956 in respect of Item No 4 of the accompanying notice dated June 25, 2007.

Item No 4

The company announced on April 13, 2007 its intention to expand the manufacturing facility. Work is underway to increase the capacity for manufacturing roller formed Silicon Carbide Crucibles and other Clay Graphite products to satisfy anticipated demand from export market.

To Finance the same the Company will need funds at different stages of the expansion plan. The borrowing limit as vested on the Board of Directors of the Company as per the provision of Section 293 (1) (d) of the Companies Act 1956 is only up to hundred percent of the paid up capital and free reserves. The Board of Directors need to be vested with the power to borrow funds in excess of the limits as prescribed in the afore said section. Hence this resolution will give the powers to the Board for bringing funds to meet the expenses of the new project.

The Board of Directors may need to create a charge on the property of the company as per the provisions of Section 293 of the Companies Act, 1956. The Board undertake to create only equitable mortgage against the property of the Company. The members must be aware that creating equitable mortgage does not amount to sale of the undertaking.

To facilitate such borrowing and creation of charges by way of equitable mortgage, the resolution seeks the approval of the members of empowering the Board of Directors of the Company to borrow funds and create charge thereof.

The Directors recommend the resolution for the approval of the members.

None of the Directors are interested in the said resolution.



REPORT OF THE DIRECTORS

The Members,

Your Directors present the Twenty Second Annual Report and Audited Statement of Accounts for the year ended March 31, 2007

2. FINANCIAL RESULTS :

	Year ended March 31, 2007 INR in lacs	Year ended March 31, 2006 INR in lacs
Profit before interest, depreciation & Taxes	339.84	318.10
Interest	52.26	0.48
Depreciation	111.96	57.34
Profit before taxation	175.02	260.28
Provisions for taxation		
- Current tax	25.30	80.81
- Deferred tax	34.56	(3.51)
- Fringe benefits tax	3.00	1.75
Profit After Tax	112.76	181.23
Profit brought forward from previous year	275.53	94.30
Profit available for appropriation	388.29	275.53
Appropriations :		
Dividend	-	-
Corporate Dividend Tax	-	-
General Reserve	-	-
Profit Carried Forward to Balance Sheet	388.29	275.53

3. DIVIDEND

In view of the ongoing investment your Directors have not recommended any dividends for the Financial Year 2006-07.

4. OPERATIONS

During, the Financial Year, the turnover was Rs 1840.03 lacs as compared to Rs 1460.92 . The company acquired the Marketing rights for sales made in India and Nepal from Greaves Cotton Limited for a consideration of Rs. 5.54 Crores on April 3,2006. This accounts for the majority of the increase in turnover.

5. CHANGE IN SHAREHOLDING PATTERN

There is no major change in the shareholding pattern during the year under review.

Morganite Crucible (India) Limited

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. DIRECTORATE

There is no major change in constitution of Board. The directors who are liable for retirement by rotation as per Article 112 being eligible offered themselves for reappointment.

8. 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.

9. AUDITORS

The Company's Auditors M/s Price Waterhouse & Co retires 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 is 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 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 for the support received from all stakeholders and the staff.

For and on behalf of the Board of Directors

Aurangabad
June 25, 2007

Md. Abdul Nadeem
Company Secretary



ANNEXURE TO DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2007 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 ALSO WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS)

RULES 1988

A. CONSERVATION OF ENERGY

a. Measures Taken :

i) **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: LPG 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 lower LPG consumption.

b. Additional Investment:

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 tonne. 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.