

Monocon Overseas Limited
Financial statements
For the year ended 31 March 2008



Company No. 3371095

Company information

| | |
|-------------------------------------|--|
| Company registration number: | 3371095 |
| Registered office: | Davy Road Old Denaby DONCASTER DN12 4LQ |
| Directors: | R Agarwal P Bajoria A Chhawchharia J Kingston |
| Secretary: | A Chhawchharia |
| Bankers: | ICICI Bank HSBC |
| Auditors: | Grant Thornton UK LLP Registered Auditors Chartered Accountants 2 Broadfield Court SHEFFIELD S8 0XF |

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Report of the directors

The directors present their report together with financial statements for the year ended 31 March 2008.

Principal activities

The company acts as a holding company to overseas investments.

Director

The present membership of the Board is set out below.

R Agarwal
P Bajoria
A Chhawchharia
J Kingston

Statement of director's responsibilities for the financial statements

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the company receives notice under Section 488(1) of the Companies Act 2006.

BY ORDER OF THE BOARD


A Chhawchharia
Secretary

14 July 2008



Report of the independent auditor to the members of Monocon Overseas Limited

We have audited the financial statements of Monocon Overseas Limited for the year ended 31 March 2008 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Directors' Report and financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS

Grant Thornton UK LLP

SHEFFIELD
14 July 2008

Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

Consolidation

The company is exempt from preparing consolidated financial statements under section 228 of the Companies Act 1985. These financial statements therefore represent information about the company as an individual undertaking and not about its group.

Investments

Investments are included at cost, less amounts written off for impairment where appropriate.

Foreign currency translation

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

Profit and loss account

| | Note | 2008 £ | 2007 £ |
|--|-------------|-----------------------|------------------|
| Operating charges | | | |
| Operating loss | | <u>(1,700)</u> | <u>(232)</u> |
| | | (1,700) | (232) |
| Interest receivable | | 361 | - |
| Loss on ordinary activities before taxation | 1 | <u>(1,339)</u> | <u>(232)</u> |
| Tax on loss on ordinary activities | | (53) | - |
| Loss retained in the year | | <u>(1,392)</u> | <u>(232)</u> |

The above results arise from continuing activities.

There were no other recognised gains or losses other than the profit for the financial year.

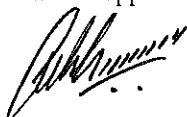
The accompanying accounting policies and notes form an integral part of these financial statements.

Balance sheet

| | Note | 2008 £ | 2007 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Investments | 3 | <u>6,149,400</u> | <u>6,149,400</u> |
| Current assets | | | |
| Debtors | 4 | 693,636 | 623,804 |
| Cash at bank and in hand | | 4,453 | 75,624 |
| Current assets | | <u>698,089</u> | <u>699,428</u> |
| Creditors: amounts falling due within one year | 5 | <u>(53)</u> | <u>-</u> |
| Net current assets | | <u>698,036</u> | <u>699,428</u> |
| Total assets less current liabilities | | <u><u>6,847,436</u></u> | <u><u>6,848,828</u></u> |
| Capital and reserves | | | |
| Called up share capital | 6 | 1,000 | 1,000 |
| Share premium account | 7 | 6,148,400 | 6,148,400 |
| Profit and loss account | 7 | 698,036 | 699,428 |
| Equity shareholder's funds | 8 | <u><u>6,847,436</u></u> | <u><u>6,848,828</u></u> |

The financial statements were approved by the Directors on 14 July 2008.

A Chhawchharia



Director

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the financial statements

1 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

| | 2008 | 2007 |
|----------------------|-------------|--------------|
| | £ | £ |
| Exchange differences | <u>(67)</u> | <u>(232)</u> |

2 Tax on loss on ordinary activities

The tax charge for the year is lower than the standard rate of corporation tax in the UK of 30%. The differences are explained as follows:

| | 2008 | 2007 |
|---|----------------|--------------|
| | £ | £ |
| Loss on ordinary activities before tax | <u>(1,339)</u> | <u>(232)</u> |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% | (402) | (70) |
| Effect of: | | |
| Surrender of losses to other group companies | <u>455</u> | <u>70</u> |
| Current tax charge for the year | <u>(53)</u> | <u>-</u> |

3 Fixed asset investments

Investments are included at cost as follows:

| | Investments in subsidiary undertakings £ |
|--|---|
| Cost at 1 April 2007 and 31 March 2008 | <u>6,149,400</u> |

The principal companies in which the company's interest is more than 20% are as follows:

| | Nature of business | Country of incorporation | Class of share capital held | Proportion held |
|----------------------------------|-----------------------|-----------------------------|--------------------------------|--------------------|
| Mono Ceramics Inc | Refractory works | USA | Share stock | 100% |
| Goricon LLC * | Refractory works | USA | Share stock | 100% |
| * Held through Mono Ceramics Inc | | | | |

4 Debtors

| | 2008 | 2007 |
|----------------------------------|----------------|----------------|
| | £ | £ |
| Other debtor | - | 295,336 |
| Amounts owed by group companies. | <u>693,636</u> | <u>328,468</u> |
| | <u>693,636</u> | <u>623,804</u> |

Notes to the financial statements

5 Creditors: amounts falling due within one year

| | 2008 £ | 2007 £ |
|-----------------|-----------|-----------|
| Corporation tax | <u>53</u> | <u>-</u> |

6 Share capital

| | 2008 £ | 2007 £ |
|--|--------------|--------------|
| Authorised, allotted, called up and fully paid 1,000 ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |

7 Reserves

| | Share premium account £ | Profit and loss account £ |
|-------------------|----------------------------------|------------------------------------|
| At 1 April 2007 | 6,148,400 | 699,428 |
| Loss for the year | - | (1,392) |
| At 31 March 2008 | <u>6,148,400</u> | <u>698,036</u> |

8 Reconciliation of movements in shareholder's funds

| | 2008 £ | 2007 £ |
|---|------------------|------------------|
| Loss for the financial year and net increase in shareholder's funds | (1,392) | (232) |
| Shareholder's funds at 1 April 2007 | <u>6,848,828</u> | <u>6,849,060</u> |
| Shareholder's funds at 31 March 2008 | <u>6,847,436</u> | <u>6,848,828</u> |

9 Transactions with related parties

The company has taken advantage of the exemption under the terms of FRS8 not to disclose related party transactions with entities that are part of the IFGL Refractories Limited group.

Notes to the financial statements

10 Controlling related parties

The ultimate parent undertaking of this company is IFGL Refractories Limited, a company registered in India.

Monocon International Refractories Limited, a company registered in England and Wales is the company's immediate parent company. The largest undertaking for which group accounts have been drawn up is that headed by IFGL Refractories Limited, the smallest group of undertakings is IFGL Monocon Holdings Limited. Copies of IFGL Refractories Limited's group financial statements can be obtained from its head and corporate office at 3, Netaji Road Subhas Road, Kolkata - 700 001, India.