

Company Registration No. 03371095 (England and Wales)

**MONOCON OVERSEAS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2006**

# MONOCON OVERSEAS LIMITED

## COMPANY INFORMATION

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**Directors**

Mr R Agarwal  
Mr P Bajoria  
Mr A Chhawchharia  
Mr J Kingston

**Secretary**

Mr A Chhawchharia

**Company number**

03371095

**Registered office**

Davy Road  
Old Denaby  
Doncaster  
Great Britain  
DN12 4LQ

**Auditors**

Sedley Richard Laurence Voulters  
1 Conduit Street  
London  
W1S 2XA

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# MONOCON OVERSEAS LIMITED

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# MONOCON OVERSEAS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2006

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The directors present their report and financial statements for the year ended 31 March 2006.

### Principal activities and review of the business

The principal activity of the company continued to be that of a holding company to overseas investments.

Both the level of business and the year-end financial position were satisfactory and the directors look forward to the future with confidence.

During the year the company transferred its subsidiaries, Tianjin Monocon Refractories Co. Ltd (China) and Monotec Refratarios Ltda (Brazil) to its intermediary parent company IFGL Worldwide Holdings Limited. In addition the company purchased the entire minority interest of its subsidiary Monocon Taiwan Company Limited.

### Results and dividends

The results for the year are set out on page 5.

### Directors

The following directors have held office since 1 April 2005:

Mr R Agarwal	(Appointed 10 September 2005)
Mr P Bajoria	(Appointed 10 September 2005)
Mr A Chhawchharia	(Appointed 10 September 2005)
Mr J Kingston	(Appointed 10 September 2005)
Mr C Schueppert	(Resigned 10 September 2005)

### Directors' interests

There are no directors' interests requiring disclosure under the Companies Act 1985.

	Ordinary Shares of £ 1 each	
	31 March 2006	1 April 2005
Mr R Agarwal	-	-
Mr P Bajoria	-	-
Mr A Chhawchharia	-	-
Mr J Kingston	-	-

### Auditors

Sedley Richard Laurence Voulters were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

# MONOCON OVERSEAS LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

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### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which 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.

### **Statement of disclosure to auditor**

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board

Mr A Chhawchharia

**Secretary**

3 May 2006

# MONOCON OVERSEAS LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MONOCON OVERSEAS LIMITED

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We have audited the financial statements of Monocon Overseas Limited for the year ended 31 March 2006 set out on pages 5 to 11. These financial statements have been prepared under the historical cost convention and 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 auditors' 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 the directors and auditors**

As described in the Statement of Directors' Responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records or 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 transactions with the company 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.

# MONOCON OVERSEAS LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF MONOCON OVERSEAS LIMITED

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### **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 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Sedley Richard Laurence Voulters**

3 May 2006

Chartered Accountants

**Registered Auditor**

1 Conduit Street  
London  
W1S 2XA

# MONOCON OVERSEAS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

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	Notes	2006 £	2005 £
Other net income		3,716	-
<b>Operating profit</b>		<u>3,716</u>	<u>-</u>
Investment income	2	91,773	-
<b>Profit on ordinary activities before taxation</b>		<u>95,489</u>	<u>-</u>
Tax on profit on ordinary activities	3	-	-
<b>Profit on ordinary activities after taxation</b>	8	<u>95,489</u>	<u>-</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The company has not recognised gains and losses other than the results for the current year set out above.

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

# MONOCON OVERSEAS LIMITED

## BALANCE SHEET AS AT 31 MARCH 2006

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		2006		2005	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Investments	4		6,518,570		6,852,033
<b>Current assets</b>					
Debtors	5	407,519		-	
Cash at bank and in hand		2,022		-	
		<u>409,541</u>		<u>-</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(79,051)</u>		<u>(98,462)</u>	
<b>Net current assets/(liabilities)</b>			<u>330,490</u>		<u>(98,462)</u>
<b>Total assets less current liabilities</b>			<u>6,849,060</u>		<u>6,753,571</u>
<b>Capital and reserves</b>					
Called up share capital	7		1,000		1,000
Share premium account	8		6,148,400		6,148,400
Profit and loss account	8		699,660		604,171
			<u>6,849,060</u>		<u>6,753,571</u>
<b>Shareholders' funds - equity interests</b>	9		<u>6,849,060</u>		<u>6,753,571</u>

The financial statements were approved by the Board on 3 May 2006

Mr A Chhawchharia  
Director

# MONOCON OVERSEAS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards, which have been applied consistently (except as otherwise stated).

#### 1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.4 Deferred taxation

Deferred tax is recognised, subject to consideration of prudence in respect of deferred tax asset, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or subsequently enacted by the Balance Sheet date. The deferred tax balance has not been discounted.

#### 1.5 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All exchange differences are taken to profit and loss account.

#### 1.6 Consolidation

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

### 2 Investment income

	2006	2005
	£	£
Income from shares in group undertakings	130,800	-
Loss on disposal of subsidiaries	(39,027)	-
	<hr/>	<hr/>
	91,773	-
	<hr/> <hr/>	<hr/> <hr/>

# MONOCON OVERSEAS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

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3 Taxation	2006	2005
Current tax charge	-	-
	<u>          </u>	<u>          </u>
<b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	95,489	-
	<u>          </u>	<u>          </u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005: 30.00%)	28,647	-
	<u>          </u>	<u>          </u>
Effects of:		
Non deductible expenses	11,708	-
Foreign tax adjustments	(23,060)	-
Other tax adjustments	(17,295)	-
	<u>          </u>	<u>          </u>
	(28,647)	-
	<u>          </u>	<u>          </u>
<b>Current tax charge</b>	-	-
	<u>          </u>	<u>          </u>

# MONOCON OVERSEAS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

### 4 Fixed asset investments

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1 April 2005	6,852,033
Additions	113,083
Disposals	(446,546)
At 31 March 2006	6,518,570
<b>Net book value</b>	
At 31 March 2006	6,518,570
At 31 March 2005	6,852,033

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
<b>Subsidiary undertakings</b>			
Mono Ceramics Inc	USA	Share Stock	100.00
Monocon Taiwan Company Limited	Taiwan	Share Stock	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal activity	Capital and reserves 2006 £	Profit for the year 2006 £
Mono Ceramics Inc	Refractory works	2,572,564	(228,469)
Monocon Taiwan Company Limited	Refractory works	144,649	(41,858)

### 5 Debtors

	2006 £	2005 £
Amounts owed by intermediary parent undertaking	407,519	-

# MONOCON OVERSEAS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

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<b>6</b>	<b>Creditors: amounts falling due within one year</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	Amounts owed to immediate parent undertaking	79,051	98,462
		<u>          </u>	<u>          </u>
<b>7</b>	<b>Share capital</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	<b>Authorised</b>		
	1,000 Ordinary Shares of £1 each	1,000	1,000
		<u>          </u>	<u>          </u>
	<b>Allotted, called up and fully paid</b>		
	1,000 Ordinary Shares of £1 each	1,000	1,000
		<u>          </u>	<u>          </u>
<b>8</b>	<b>Statement of movements on reserves</b>		
		<b>Share premium account</b>	<b>Profit and loss account</b>
		<b>£</b>	<b>£</b>
	Balance at 1 April 2005	6,148,400	604,171
	Retained profit for the year	-	95,489
		<u>          </u>	<u>          </u>
	Balance at 31 March 2006	6,148,400	699,660
		<u>          </u>	<u>          </u>
<b>9</b>	<b>Reconciliation of movements in shareholders' funds</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	Profit for the financial year	95,489	-
	Opening shareholders' funds	6,753,571	6,753,571
		<u>          </u>	<u>          </u>
	Closing shareholders' funds	6,849,060	6,753,571
		<u>          </u>	<u>          </u>
<b>10</b>	<b>Employees</b>		
	<b>Number of employees</b>		
	There were no employees during the year apart from the directors.		

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# MONOCON OVERSEAS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

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### 11 Control

The immediate parent company is Monocon International Refractories Limited (company number: 01141077), a company registered in England and Wales, and the ultimate parent company and controlling party is IFGL Refractories Limited, a company registered in India

IFGL Refractories Limited prepares group financial statements and copies can be obtained from its head and corporate office at 3, Netaji Subhas Road, Kolkata - 700 001, India.

The largest group of undertakings for which group accounts have been drawn up is that headed by IFGL Refractories Limited in India, the smallest group of undertakings is IFGL Monocon Holdings Limited.

### 12 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

**MONOCON OVERSEAS LIMITED**  
**MANAGEMENT INFORMATION**  
**FOR THE YEAR ENDED 31 MARCH 2006**

# MONOCON OVERSEAS LIMITED

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

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	£	2006 £	£	2005 £
<b>Other net income</b>		3,716		-
		<hr/>		<hr/>
<b>Operating profit</b>		3,716		-
<b>Income from investments</b>				
Dividends received from subsidiary undertakings	130,800			
Loss on disposal of unlisted investments	(39,027)			
		<hr/>		
		91,773		-
		<hr/>		<hr/>
<b>Profit before taxation</b>		95,489		-
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# MONOCON OVERSEAS LIMITED

## SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 MARCH 2006

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	2006	2005
	£	£
<b>Other income and expenses</b>		
Profit/loss on foreign currency	(3,727)	-
Sundry expenses - allowable	11	-
	<hr/>	<hr/>
	(3,716)	-
	<hr/> <hr/>	<hr/> <hr/>

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