



ANNUAL REPORT 2015-16

MORGANITE CRUCIBLE (INDIA) LIMITED

MORGANITE CRUCIBLE (INDIA) LIMITED

31st ANNUAL REPORT 2015 -16

BOARD OF DIRECTORS	:	Mukund Bhogale Aniruddha Karve Ian Keith Arber Pauline Tan Mirco Pavoni Subhash Kolapkar Maithilee Tambolkar Sadanand Shabde Hitesh Saiwal Stuart Cox	Chairman (From October 30, 2015) Managing Director (From July 1, 2015) Director Director (From August 13, 2015) Director (From August 13, 2015) Independent Director Independent Director Chairman (Upto October 29, 2015) Managing Director (Upto April 30, 2015) Director (Upto April 30, 2015)
CHIEF FINANCIAL OFFICER	:	Mr. Atithi Majumdar	
COMPANY SECRETARY	:	Mr. Rupesh Khokle	
STATUTORY AUDITORS	:	B S R & Co., LLP Chartered Accountants	
SECRETARIAL AUDITORS	:	KMP & Associates	
BANKERS	:	Axis Bank Limited The Hong Kong and Shanghai Banking Corporation Ltd. State Bank of India Industrial Development Bank of India (IDBI) CiTi Bank UCO Bank	
REGISTERED OFFICE FACTORY	:	B-11, MIDC Industrial Area, Waluj, Aurangabad – 431 136 Maharashtra. India.	
REGISTRAR & SHARE TRANSFER AGENT		LINK INTIME INDIA PVT LTD C-13 Pannalal Silk Mills Compound L BS Marg, Bhandup West, Mumbai 400 078 Tel : 91-022-2594 6970 Fax: 91-022-2594 6969 Email : mt.helpdesk@linkintime.co.in (From May 25, 2016)	

CONTENTS	PAGE NO.
Notice	1 - 8
Directors' Report & Management Discussion and Analysis	9 - 34
Report on Corporate Governance	35 - 48
Auditor's Report	49 - 54
Standalone Balance Sheet	55
Standalone Statement of Profit and Loss	56
Standalone Cash Flow Statement	57 - 58
Notes to the Financial Statements	59 - 78
Auditors Report on Consolidated Financial Statements	79 - 83
Consolidated Balance Sheet	84
Consolidated Statement of Profit and Loss	85
Consolidated Cash Flow Statement	86
Notes Consolidated Financial Statement	87 - 107
Proxy Form & Attendance Slip	108 - 109

NOTICE

NOTICE is hereby given that the 31st ANNUAL GENERAL MEETING of the Members of MORGANITE CRUCIBLE (INDIA) LIMITED will be held on Wednesday, August 10, 2016 at 11:00 am at the Registered Office of the Company at B 11, MIDC, Waluj, Aurangabad (MS) – 431 136, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2016, including audited Balance Sheet as at March 31, 2016, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare a final dividend on equity shares for the financial year ended March 31, 2016.
3. To re-appoint Mr Ian Keith Arber as a Director of the Company who retires by rotation and being eligible for re appointment
4. To ratify appointment of M/s B S R & Co LLP, Chartered Accountants, (Registration No. 101248W/W-100022) as Statutory Auditors of the Company from the conclusion of Thirty First (31st) Annual General Meeting until the conclusion of the Thirty Second (32nd) Annual General Meeting of the Company, on such remuneration as agreed between the Board of Directors or any Committee thereof and the Statutory Auditors, in addition to the reimbursement of service tax and actual out of pocket expenses incurred in relation with the audit of accounts of the Company.

SPECIAL BUSINESS :

5. **Appointment of Mr Mukund Bhogale (DIN: 0072564) as an Independent Director of the Company**

To consider and if thought fit, to pass with or without modification, if any, the following resolution as an **Ordinary Resolution** :

“**RESOLVED** THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder as read with Schedule IV to the Act, as amended from time to time, Mr Mukund Bhogale (DIN:0072564), who was appointed as an Additional Director (Independent) of the Company effective from October 30, 2015, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from August 10, 2016 upto August 9, 2021, not liable to retire by rotation.”

6. **Amendment To the Memorandum of Association (MoA) of the Company**

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

"**RESOLVED** THAT pursuant to the provisions of Sections 4, 13 and any other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof), and subject to the necessary registrations, approvals, consents, permissions and sanctions required, if any, from the jurisdictional Registrar of Companies, and any other appropriate authority and subject to such terms, conditions, amendments or modifications as may be required or suggested by any such appropriate authorities, and pursuant to approval of the Board of Directors of the Company, the consent to members be and is hereby accorded to replace, alter, modify and revise the existing set the Memorandum of Association of the Company as under :

1. Substituting the heading of Clause III (A), "THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION" with the heading "THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE".
2. Deletion of Clause III (A) (1)
TO ENTER INTO TECHNICAL AND FINANCIAL COLLABORATION WITH MORGANITE CRUCIBLE LIMITED, NORTON, WORCESTER WB5 2 PU., U. K.
3. Substituting the heading of Clause III (B), "THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS ARE" with the heading "MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A)".
4. Substituting the heading of Clause III (B), "THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS ARE" with the heading "MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A)".
5. Deleting all the existing Sub-Clauses numbered from 47 to 56 of Clause III (C) (the other objects).
6. Amending Clause IV of the Memorandum of Association of the Company as follows :
"The liability of the members is limited and this liability is limited to the amount unpaid, if any, on shares held by them."

RESOLVED FURTHER THAT Mr Aniruddha Karve, Managing Director and Mr Rupesh Khokle, Company Secretary be and is hereby severally authorised to do all such acts, deeds, matters and things and execute and sign all such documents and papers, as may be necessary in this regard, and to sign and submit the required e-forms under the applicable provisions of Companies Act, 2013 with the jurisdictional Registrar of Companies or any other Competent Authority."

7. Amendment To The Article of Association (AoA) of the Company

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

"**RESOLVED** THAT pursuant to the provisions of Sections 5, 14 and all other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof), and subject to the necessary registrations, approvals, consents, permissions and sanctions required, if any, from the jurisdictional Registrar of Companies, and any other appropriate authority and subject to such terms, conditions, amendments or modifications as may be required or suggested by any such appropriate authorities, and pursuant to approval of the Board of Directors of the Company, the consent of members of the Company be and is hereby accorded for adoption of the new set of Articles of Association (Table F of Schedule I of the Act) in place and substitution of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT Mr Aniruddha Karve, Managing Director and Mr Rupesh Khokle, Company Secretary be and is hereby severally authorised to do all such acts, deeds, matters and things and execute and sign all such documents and papers, as may be necessary in this regard, and to sign and submit the required e-forms under the applicable provisions of Companies Act, 2013 with the jurisdictional Registrar of Companies or any other Competent Authority."

Registered Office :
B-11, MIDC, Waluj,
Aurangabad – 431 136
Date: May 30, 2016

By Order of the Board



Aniruddha Karve
(Managing Director)
DIN : 07180005

NOTES :

1. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 relating to the special business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person shall act as Proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company, carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.

The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

The corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, August 4, 2016 to Wednesday, August 10, 2016 (both days inclusive).
4. The Final Dividend for the financial year ended March 31, 2016, as recommended by the Board, if approved by the Members, shall be paid within 30 days from the date of declaration to those Members whose names appear in the Register of Members of the Company as on August 3, 2016.
5. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder, transmission/transposition of shares. Members are requested to submit the PAN details to their Depository Participant in case of holdings in dematerialized form and to the Company's Registrars and Transfer Agents, mentioning your correct reference folio number in case of holdings in physical form.
6. Members desiring any information relating to the accounts are requested to write to the Company before 10 days in advance so as to enable the management to keep the information ready.
7. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
8. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear

in the Register of Members / list of Beneficial Owners as on Wednesday, August 3, 2016, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the despatch of the Annual Report and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.

9. The Company has appointed KMP & Associates, Practising Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.
10. The Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating remote e-voting for AGM. The instructions for e-voting are as under:

The instructions for members for voting electronically are as under :-

In case of members receiving e-mail :

- (A) The voting period begins on August 7, 2016 at 09.00 am and ends on August 9, 2016 at 05.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut off date (record date) of August 3, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on “Shareholders” tab.
 - (iii) Now, select the “Morganite Crucible (India) Limited” from the drop down menu and click on “SUBMIT”
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below :

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> ▶ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. ▶ In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> ▶ If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant “Morganite Crucible (India) Limited” on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - ▶ Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - ▶ They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - ▶ After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - ▶ The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - ▶ They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy :

- (B) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (C) The voting period begins on August 7, 2016 at 09.00 am (IST) and ends on August 9, 2016 05.00 pm (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 3, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (D) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

11. The voting rights shall be as per the number of equity share held by the Member(s) as on Wednesday, August 3, 2016. Members are eligible to cast vote electronically only if they are holding shares as on that date.
12. The Chairman shall, during the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of Poll for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
13. The members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
14. The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company www.morganmms.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the stock exchange where the Company's shares are listed viz. BSE Limited.
15. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their demat accounts; will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change in bank particulars. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate to their Depository Participants immediately.
16. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Link Intime Private Limited, Registrar and Transfer Agent of the Company or they can inform via E-mail at Investor Service Department of the Company at rupesh.khokle@morganplc.com immediately.
17. Members are requested to note that as per Section 124 (5) of the Companies Act, 2013 corresponding Section 205A of the Companies Act, 1956, Dividends not encashed / claimed within seven years from the date of declaration will be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice :

Item No. 5

The Board of Directors of the Company has appointed Mr Mukund Bhogale as an Additional Director (Independent) of the Company effective from October 30, 2015. As per Section 149 and Section 152 of the Companies Act, 2013, an Independent Director can hold office for a term upto 5 (five) consecutive years on the Board of a company and he/she shall not be included in the total number of directors for retirement by rotation.

Mr Mukund Bhogale is not disqualified from being appointed as a Director (Independent) in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr Mukund Bhogale that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act.

Mr Mukund Bhogale qualified as Bachelor of Chemical Engineering in 1981 from U.D.C.T. Mumbai University. Presently, Mr Bhogale is Chairman and Managing Director of NIRLEP Appliances Private Limited, having its manufacturing facility at Aurangabad and also holds Directorship in various other companies. He holds other positions of trustees and members in various NGO's and trusts. He was also holding position of President and Chairmanship of Chamber of Marathwada Industries & Agriculture, (CMIA), Marathwada Zonal Council-Confederation of Indian Industry (CII) and Marathwada Auto Cluster (MAC). He has been actively involved in various social, industrial gathering and made significant contribution during chairmanship of CMIA and MAC.

In view of rich experience and contribution made by Mr Mukund Bhogale for welfare and development of industries and the society in Aurangabad, the Board has proposed to appoint him for a term of five years effective from August 10, 2016 subject to approval of the members in the annual general meeting of the company.

None of the Directors except Mr Mukund Bhogale and/or Key Managerial Persons of the Company along with their relatives are in any way concerned or interested, in the Resolution set out at the Notice. Your Directors recommend Resolution at Item No.5 as an Ordinary Resolution for approval of the Members.

ITEM NO. 6

In view of enactment of the Companies Act, 2013 ("Act") the Memorandum of Association of the Company needs to be re-aligned as per the provisions of the new Act. Accordingly, it is proposed to adopt a new set of Memorandum of Association of the Company, primarily based on Table "A" of Schedule I of the Companies Act, 2013 which sets out the model Memorandum of Association for a Company limited by Shares. As per Section 4 and 13 the Companies Act 2013, read with Companies (Incorporation) Rules, 2014, any alterations proposed to be made in the Memorandum of Association of the Company requires the approval of the members *vide* a Special Resolution. Accordingly, the Board of Directors of the Company seek the approval of the members of the Company for the aforesaid alteration by way of a Special Resolution. A copy of the altered Memorandum of Association will be available for inspection at the Annual General Meeting and such copy will be so made available for inspection in physical or in electronic form during the business hours i.e. from 9:00 a.m. to 5:00 p.m. at the registered office of the Company at B-11, Waluj MIDC, Aurangabad – 431 136.

None of the Directors and/or Key Managerial Persons of the Company alongwith their relatives are in any way concerned or interested, in the Resolution set out at the Notice.

Your Directors recommend Resolution at Item No.6 as a Special Resolution for approval of the Members.

ITEM NO. 7

In view enactment of Companies Act, 2013, (“Act”) the new set of Articles of Association of the Company needs to be re-aligned as per the provisions of the new Act. Accordingly, as per Section 5 and 14 of the Companies Act, 2013, approval of Members is required by way of Special Resolution in General Meeting to adopt a new set of Articles of Association based on Table “F” of Schedule I of the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by Shares, including such other matters as are necessary for the Board of the Company in place of the existing Articles of Association.

A copy of the altered Articles of Association will be available for inspection at the venue of Annual General Meeting and such copy will be so made available for inspection in physical or in electronic form during the business hours i.e. from 9:00 a.m. to 5:00 p.m. at the registered office of the Company at B-11, Waluj MIDC, Aurangabad – 431 136.

None of the Directors and/or Key Managerial Persons of the Company alongwith their relatives are in any way concerned or interested, in the Resolution set out at the Notice.

Your Directors recommend Resolution at Item No.7 as a Special Resolution for approval of the Members.

Registered Office :

B-11, MIDC, Waluj,
Aurangabad – 431 136
Date: May 30, 2016

By Order of the Board



Aniruddha Karve
(Managing Director)
DIN : 07180005

DIRECTORS' REPORT

AND MANAGEMENT DISCUSSION AND ANALYSIS

To,
The Members,

Your Directors are pleased to present the 31st Annual Report, together with the Audited Financial Statements of the Company for the financial year ended March 31, 2016.

FINANCIAL PERFORMANCE :

(₹ in lacs)

Particulars	Standalone		Consolidated	
	2016	2015	2016	2015
Revenue from Operations, net of excise	8,738.66	8,754.21	10,840.52	10,875.20
Other Operating Revenue	128.65	116.05	145.16	130.45
Other income	247.92	58.47	279.92	79.77
Total income	9,115.23	8,928.73	11,265.60	11,085.42
Operating Expenses	6,851.25	7,069.97	8,598.26	9,077.66
Profit before finance cost, depreciation and amortisation	2,263.98	1,858.76	2,667.34	2,007.77
Finance Cost	-	0.74	-	0.74
Depreciation and Amortisation Expense	710.65	787.26	830.72	895.56
Profit before tax	1,553.33	1,070.76	1,836.62	1,111.46
Provision for tax	565.70	468.56	796.78	534.05
Share of minority interest	-	-	41.08	1.36
Profit after tax	987.63	602.20	998.76	576.05
Add: Balance brought forward from previous year	4,976.03	4,422.22	5,313.50	4,786.94
Amount available for appropriation	5,963.66	5,009.73	6,312.27	5,347.20
Less: Appropriation/transfer				
Proposed equity dividend	112.00	28.00	112.00	28.00
Corporate dividend tax	22.80	5.70	22.80	5.70
Balance carried to Balance Sheet	5,828.86	4,976.03	6,177.47	5,313.50

DIVIDEND :

Your Directors are pleased to recommend a final dividend of ₹4/- per equity share, amounting to ₹134.80 lacs (including dividend distribution tax) for the financial year 2015-16 for approval of the members in the ensuing 31st Annual General Meeting of the Company.

OPERATIONS :**Revenue & Profits – Standalone :**

During the year under review, the Company has achieved net revenue of ₹ 8,738.66 lacs as compared to ₹ 8,754.21 lacs in the previous year. The export sales were ₹ 6,064.30 lacs as compared to ₹ 6,311.34 lacs in the previous year. The profit before tax grew by 45 per cent to ₹ 1,553.33 lacs as compared to ₹ 1,070.76 lacs in the previous year. The operating expenses decreased by 3 per cent to ₹ 6,851.25 lacs as compared to ₹ 7,069.97 lacs in last year.

Revenue & Profits – Consolidated :

During the year under review, the Company has achieved net turnover of ₹ 10,840.52 lacs as compared to ₹ 10,875.20 lacs. The gross profit before tax grew by 65 per cent to ₹ 1,836.62 lacs as compared to ₹ 1,111.46 lacs. The operating expenses decreased by 5% to ₹ 8,598.26 lacs as compared to ₹ 9,077.66 lacs in last year.

FUTURE OUTLOOK :

In 2015-16, the Indian economy grew at 7.3 per cent and is projected to continue to grow at a robust pace, in spite of strong headwinds from other Asian's countries rebalancing and global manufacturing weakness. According to United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), India's economy is expected to grow by 7.6 per cent in 2016-17, largely on the back of urban household spending, amid steady employment growth, low inflation and also will be supported by continuous progress on infrastructure improvements and government drives on implementing 'Make in India', 'Invest India' and other incentive schemes to boost exports and encourage foreign investments in India. However, the industrial and manufacturing sector appears to be growing at about half the rate of the overall Indian GDP i.e. (3-4%).

On the global side, US economy growth braked sharply to its slowest pace in two years as consumer spending softened and a strong dollar continued to undercut exports, but a pick-up in activity (2-3% GDP growth) is anticipated given a buoyant labour market. The GDP growth in South-Asia remains constant between 6 to 7 per cent boosted by low commodity prices, moderate inflation and a slight uptick in exports.

However, the major drag on the global economy continues to come from China, where a decelerated GDP growth rate of 4-5% is resulting in significant over-capacity and therefore causing ripples through global commodity, steel, cement and other markets. Chinese manufacturers are aggressively looking to address markets overseas, resulting in increased competition in our target markets.

As a result, your company will continue to see trading headwinds in most of the global markets with the exception of India, the USA and some of the South East Asian countries in the coming year.

The Non-ferrous metal melting of aluminium, copper alloy & zinc oxide remained leading customers of your Company's products & services. The following drivers for years 2016-20, indicate double digit market growth in the segments and hence good growth prospects for our products, although the competitive nature of the markets will continue to exert significant pricing pressure in the coming year.

- The Indian passenger car segment estimates rapid growth till 2020 to 4 M units from 1.97 M currently. It is primarily because of reduced interest rates, increasing rural market demand and increased per capita average income of middle & upper middle class.

This will -

- Boost aluminium casting production, which is our primary focus
- Trigger Zinc Oxide demand in the tyre industry
- Demand of value added technology & services

- Increasing awareness & adoption of crucibles in non-ferrous induction melting will accelerate demand of our cylindrical crucibles. Few initiatives taken by company in the recent past, as below, will show significant revenue growth in over 3~5 years :
 - Collaboration with leading induction furnace manufacturers
 - Development of new crucible models
 - Value delivery & application support

- Growth in construction is expected at CAGR of 11.2 per cent. The enablers are :
 - Many private equity fund investing in commercial properties
 - Smart city project for 100 cities across India
 - Government scheme of Housing for All scheme by 2022
 - Individual state initiatives for boosting housing & commercial city projects

The real estate growth will result in increasing demand of zinc oxide (used in tiles & other ceramics) and copper alloy parts (used in sanitary, electrical & electronic equipment).

Your Company has started focusing on the ferrous industry in 2012 and have seen attributive growth in four years, at good profitability. The following growth drivers signal larger opportunities in the ferrous segment.

- Heavy vehicles & Earthmoving equipment
 - Replacement demand. Old vehicles being disbanded whether it is 10 years old or 15 years old
 - Before FY18 BS IV will become applicable nationwide.
 - Mining and infrastructure projects are largely focused by current government.
- Quality casting demand
 - With almost all global automotive players investing on their R&D, manufacturing and assembly units in India, demand for higher technology and quality in castings has improved.
 - With stringent quality norms & awareness of operational savings, adoption of Morgan foundry accessories should increase.
- DI pipe demand is expected to grow by 20% till 2018 :
 - Finance Minister has proposed allocation of ₹ 1,000 crore for irrigation via 'Pradhan Mantri Krishi Sinchayee Yojana' scheme.
 - Also for the National Rural Drinking Water Programme, ₹ 3,600 crores have been allotted to infrastructure development.
- Ambitious growth projection of Indian Railways for 2020 :
 - New railway lines for 24,000 km
 - Procurement increase of new wagons by 250K and passenger coaches by 50K.
 - “Make in India” initiatives for giving preference to local suppliers.

In view of above, your Company is looking forward take hold of the opportunities to grow and expand its product base to various industries.

PRODUCT QUALITY AND RECOGNITION :

Your Company always strives to provide the highest quality of product to their customer ensuring consistency in performance, safety, delivering more value and innovation by continuous focus on research and development. The Company encourages employee and customers to provide regular feedback and active participation by various means to develop quality of product and continuous improvement.

Your Company continued to remain ISO 9001 certified for Quality Management System Standards. Recently, the company has also organised ISO 9001:2015 and IQA Audit training from TUV (SUD) South Asia in order to continuously demonstrate product quality and services, to meet statutory and regulatory norms and to increase customer satisfaction throughout its operations.

PUBLIC DEPOSIT :

During the year, the Company has not accepted any public deposits under the provisions of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS :

During the year under review, the Company has not provided any loans, given guarantees and made investments covered under Section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS :

In compliance with the provisions of Section 188 of Companies Act, 2013 and Regulation 23 of Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements), ('LODR') Regulations, 2015 and relevant provisions of Clause 49 of the Equity Listing Agreement, the Audit Committee had given omnibus approval for related party transactions which were of repetitive nature and entered with associates companies for sale, purchase of goods and services for a period of one year. In every Audit Committee meeting during the year, the schedule of related party transactions for each quarter end were placed before the Committee to ensure transactions were within limit of the approval.

The related party transactions entered during the year were in ordinary course of the business and on arm's length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were into entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable. Further, the Company has not given any loans and advances in the nature of loans to subsidiary company or to associate company or to firms/companies in which directors are interested hence disclosure as per Regulation 34(3) of SEBI LODR, Regulations, 2015 is not applicable.

As per Regulation 46 of SEBI LODR Regulations, 2015, the Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions is available on Company's website at

http://www.morganmms.com/sites/default/files/policy_on_materiality_of_related_party_transactions_dealings.pdf

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT :

During the year under review, there have been no other material changes happened and commitments given which affects the financial position of the Company between the end of the financial year and the date of the report.

SUBSIDIARY COMPANY :

Your Company has one subsidiary company i.e. Diamond Crucible Company Limited having its manufacturing facility at Mehsana, Gujarat. As per provisions of Section 129 (3) of the Companies Act, 2013, a statement containing salient financial highlights of the subsidiary company for the year ended March 31, 2016 is annexed as part of this Annual Report in Form AOC 1 as **Annexure 1**. However, the Company has published the audited consolidated financial statements for the financial year March 31, 2016 and also forms part of this Annual Report. The Annual Accounts of the subsidiary company and related detailed information shall be made available to members of the Company seeking such information and shall be kept open for inspection at the Registered Office of the Company during office hours.

BOARD OF DIRECTORS :

During the year under review, Mr Hitesh Saiwal resigned from the Company effective from April 30, 2015 from the post of Managing Director. Mr Aniruddha Karve was appointed as Managing Director of the Company effective from July 1, 2015 in the Board of Directors meeting held on May 25, 2015 followed by approval of members in the annual general meeting held on September 22, 2015. Mr Sadanand Shabde has resigned from the post of Independent Director and Chairman of the Board and the Committees effective at the end of the day on October 29, 2015. Mr Mukund Bhogale was appointed as an Additional Director (Independent) effective from October 30, 2015. Mr Mukund Bhogale was also nominated for Chairman of the Board and the Committees.

The members in the Annual General Meeting held on September 22, 2015, have unanimously regularised appointment of Mr Ian Keith Arber as Director (Non-executive), Ms Pauline Tan as Director (Non-executive), Mr Mirco Pavoni as Director (Non-executive) and Ms Maithilee Tambolkar as an Independent Director.

As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of five consecutive years, but shall be eligible for reappointment on passing of a special resolution by the Company and shall not be liable to retire by rotation. During the year under review, the independent directors has submitted certificate of independence under section 149 (6) (d) of the Companies Act, 2013. The policy on familiarisation program for Independent Directors including details of Nomination Remuneration committee and their roles and responsibility are provided in Corporate Governance Report. The evaluation of Board including independent directors was carried out having parameters of attendance in every Board and Committee meeting, participation in discussions and independent judgement.

The details of such familiarization program for Independent Directors are posted on the website of the Company and can be accessed at

http://www.morganmms.com/sites/default/files/familiarisation_program_for_independent_director_-_mcil.pdf

NUMBER OF MEETINGS OF THE BOARD :

The Board met five times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION :

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178 (3) and Section 197 (12) of the Companies Act, 2013, read with Rule 5 of Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure 2** to the Board's report.

PARTICULARS OF EMPLOYEES :

During the year under review, no employee was in receipt of remuneration of ₹ 60 lacs or more, or employed for part of the year and in receipt of ₹ 5 lacs or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE :

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has already constituted a policy on Prevention of Sexual Harassment at Workplace in December, 2012 with periodic amendments. During the year, the Company has not received any complaint with allegations of sexual harassment.

RISK MANAGEMENT POLICY :

The Risk Management Committee was constituted as per provisions of Companies Act, 2013 and Regulation 21 of SEBI LODR corresponding Clause 49 of the Equity Listing Agreement, having composition of executive and independent directors. Your company is also committed to identify, quantify and mitigate business risks by periodic review of potential risks, inherent impact and its mitigation plan in compliance with policy and statement of Morgan Advanced Materials Plc ('the Group') on Risk Management.

During the year, the committee in its meeting held on October 29, 2015 has reviewed risk relating to competition, operations, people management and development, product quality, technological obsolescence, quality of contract, external risks and also noted the process of mitigation of such risks.

CORPORATE SOCIAL RESPONSIBILITY :

The Company has constituted Corporate Social Responsibility Committee (CSR) in the meeting of Board of Directors of the Company held on May 22, 2014. Your Company is committed to adhere to the principles of CSR policy and continue to strive for the development and for enhancing living standards of society.

As a commitment towards improving and maintaining social sustainability, your company has donated 140 school desks at Naygaon Government School near Waluj Industrial Area worth of ₹ 4.35 lacs from first to seventh standard students.

The Corporate Social Responsibility policy formulated by the Company is available on the website of the Company at - <http://www.morganmms.com/investors-1>

NOMINATION AND REMUNERATION COMMITTEE :

The Board of Directors in their meeting held on May 22, 2014 has constituted Nomination and Remuneration Committee with a view to determine qualification, positive attributes and independence of a director and recommend to the board and to formulate a criteria for evaluation and performance for board members. The committee comprises of independent and non-executive directors of Board which details are given in Corporate Governance Report.

ENVIRONMENT, HEALTH AND SAFETY :

The Morgan Group is committed for conducting all of its activities in a manner that achieves high standards of health and safety for employees and others affected by its operations. This commitment is reflected in the Group's core health and safety values set out below –

- We are committed to creating a culture and environment that is 'zero harm' with no related accidents or illness due to our activities.
- We encourage and expect our employees and contractors to be passionate about safety.
- We are dedicated to creating a positive safety culture based on openness, transparency and responsibility.
- We support a safe working culture through investment and training.
- We engage with our people to continuously improve safety knowledge, reporting and performance through our commitment to our thinkSAFE programme.



In continuation with a global behavioural safety programme i.e. 'thinkSAFE', launched by the Group, your company has made significant progress and has conducted thinkSAFE training programmes for all employees including contractual labour of the Company.

During the year, the Company has made improvements in certain identified areas which summary as below –

Operational, Health & Safety Improvements :

- Proper machine guarding and railing provided
- Arrangement made to avoid water wastage
- Converted to LED lighting which helped in reduction power consumption
- Improvement in inter-locking doors, high reach ladder and cranes to avoid accidents

Well-being :

- Regular internal training/programs for developing awareness on health, safety and environment of employees and contractual labour
- Annual medical check-ups was completed and suggestions has been given for monitoring health of employees and contractual labour
- 'Most Mile March' initiative for encouraging employees to walk more and 'Biggest Loser' for weight reduction competition were conducted under 'Better You Better Life' Programme.
- Received participation award in 'National Safety Competition' conducted by Directorate of Industrial Safety & Health, Maharashtra State & National Safety Council, Maharashtra Chapter in Pune, Maharashtra

FINANCE AND TAXATION :

During the year, your Company has started the liquidation process of accumulated balance in CENVAT credit account as per provision of excise law. Until March 2016, we have utilized CENVAT credit amounted to ₹ 577.04 lacs for export sales for claiming Rebate and actually received ₹ 299.96 lacs of Excise rebate from Authority till March 2016.

Your Company has applied for Export Incentive under Focus Market Scheme (FMS) and Merchandise Export Incentive Scheme (MEIS) under Foreign Trade Policy 2015-20 of combined benefit of ₹ 44.47 Lacs which Duty Benefit Scripts are awaiting from the Authority.

During the financial year, the Company has applied for Advance Pricing Agreement (APA) before the CBDT & Govt. of India for International Intercompany related party transactions with Associated Enterprises (AE). The APA is an arrangement between the taxpayer and the tax authority covering future transactions, with a view to avoid the potential transfer pricing disputes in a co-operative manner. Once APA agreement is completed, we will have certainty with respect to tax outcome for international transactions, by agreeing in advance the arm's length pricing, or pricing methodology to be applied. Under APA specific rollback provisions enable to attain certainty in transfer prices of international transactions for up to 9 years (including 4 years rollback provisions) in total. Besides this the APA has a persuasive value on all open Transfer pricing litigations of past years.

The Company has completed VAT assessment for the FY 2011-12 and received order from the Authority with refund of VAT of ₹ 69.74 Lacs including interest.

RESPONSIBILITY BUSINESS PROGRAMME (RBP) AND LEGAL GOVERNANCE :

The Responsible Business Programme (RBP) is the Group ethics and compliance programme comprise of policies, training, risk assessment, monitoring and assurance. The training content covers human rights, anti-bribery and ethics, anti-trust and contract risk management and is refreshed on an annual basis.

During the year, your Company has conducted RBP training session for sales and marketing managers during the Sales Meet at Aurangabad. The senior executives have attended RBP training session covering contract risk management and anti-trust at Chennai conducted by Group Risk Manager Ms Lynsey Poulton. Further, every relevant individual who joins the Morgan group, has been given with induction training on Responsible Business Program (RBP) followed by periodic updates and training sessions on Competition laws, Ethics Policy and Contract Risk Management.

Your Company has continued vigilance on Export Compliance Policy where Company sells the product to regulated countries. During the year, the Company has observed compliances under various statutes applicable to the Company such as Companies Act, Securities laws, Listing Regulations and other statutory laws. As per new Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has executed revised Listing Agreement with Bombay Stock Exchange and has also adopted new compliance under the said regulation.

HUMAN RESOURCES :

Your Company believes that having best talent, skillful employees and high motivation level of employees helps any organisation to achieve milestones of success. Your Company is committed to provide good organisational culture to its employees as well as provide required trainings in order to harness their potential and to explore more opportunities.

During the year, the Company has organized various skill development programs for senior and middle management such as 'Synergy and Team Building', 'Concept and Value Selling' for Sales and Marketing employees and other skill enhancement training programs were conducted for staffs and workers.

AUDITORS :

Statutory Auditors

M/s B S R & Co. LLP (Registration No. 101248W/W-100022) were appointed as Statutory Auditors in the last Annual General Meeting (AGM) of the Company held on September 22, 2015 for a period of five years subject to ratification by the members of the Company at every Annual General Meeting.

The Board has proposed ratification of M/s B S R & Co. LLP (Registration No. 101248W/W-100022) as Statutory Auditor of the Company subject to approval of members from the conclusion of Thirty First (31st) Annual General Meeting until the conclusion of Thirty Second (32nd) Annual General Meeting of the Company on such remuneration and out-of-pocket expenses as agreed between the Board or Committee and the Statutory Auditors in the Board of Directors meeting held on May 25, 2015.

The report is given by the Auditors on the financial statements of the Company forms part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their report.

Secretarial Auditor

M/s KMP & Associates, Practicing Company Secretaries, was appointed to conduct the Secretarial Audit of the Company for the financial year 2015-16, as required under Section 204 of the Companies Act, 2013 and rules thereunder. The Secretarial Audit Report for financial year 2015-16 forms part of the Annual Report as **Annexure 3**. The Board has continued appointment of M/s KMP & Associates, Practicing Company Secretaries, as Secretarial Auditor of the Company for the financial year 2016-17.

There has been no qualification, reservation, adverse remark or disclaimer given by Secretarial Auditor in their report. The report of Statutory Auditors on the financial statements and report of Secretarial Auditors are made part of this Annual Report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Pursuant to Section 177(4)(vii) of the Companies Act, 2013, (“Act”) the Audit Committee needs to evaluate internal financial control system of the Company and make further reporting to the Board. Further, pursuant Section 143(3) (i) of the Companies Act, 2013 the Statutory Auditor of the Company is required to make representation in their Auditor Report that the Company has adequate internal financial control system in place and operating effectively.

The Company has been making periodical tests for storage and issue of materials, payments for goods, services and expenses, maintenance of books and records, insurance coverages, banking transactions, financial reporting as per statutory/regulatory requirements and other operations and reviewing legal compliances pertains to various statute, rules, guidelines issued by State Government and Central Government etc. Conversely, the Committee was in opinion that the said controls ought to be reviewed on periodic basis from external agencies in order to make further improvement in the controls. In this connection, the Committee had appointed KPMG for assisting the Company in performing Process and Documentation Gap Analysis of the Company for the financial year ending March 31, 2016.

KPMG has not found any significant gaps or non-compliance during their process and Gap Analysis, however as a commitment towards continuous improvement the Board is formalising the process of each function through documentation, policies and procedures.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as **Annexure 4** to the Board's report.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement of Section 134 (3) (c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that

- (i) In the preparation of the annual accounts for the financials year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The Directors 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 profit of the Company for the year;

- (iii) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts on a 'going concern' basis;
- (v) The directors have laid down internal financial controls, which are adequate and are operating effectively;
- (vi) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

CORPORATE GOVERNANCE :

As required under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 corresponding to Clause 49 of the Listing Agreement, the auditors' certificate regarding compliance of conditions of Corporate Governance is appended as **Annexure 5** to the Board's Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

The particulars as prescribed under Sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are enclosed as **Annexure 6** to the Board's report.

WHISTLE BLOWER POLICY :

The Company has set up a Whistle Blower Policy with a view to provide a mechanism for directors and employees of the Company to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. The policy is also available on the website -

http://www.morganelectricalmaterials.com/sites/default/files/whistle_blower_policy_-_june-15.pdf

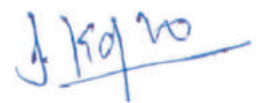
ACKNOWLEDGEMENTS :

Your Directors take this opportunity to offer their sincere thanks to various Departments of the Central and State Governments, our Bankers, Shareholders, Customers & Consultants for their unstinted support and assistance. Your Directors also place their deep appreciation to employees at all levels for their hard work, solidarity, dedication and commitment, and look forward to their continued support in the future.

For and on behalf of the Board,



Aniruddha Karve
(Managing Director)
DIN : 07180005



Subhash Kolapkar
(Director)
DIN : 06666368

Place: Aurangabad
Date: May 30, 2016

ANNEXURE 1
Statement containing the salient features of the financial statements of subsidiaries / associate companies / joint ventures

[Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014 – AOC-1]

(Amt in ₹)

Name of Subsidiary	Diamond Crucible Company Limited
Reporting period for the subsidiary concerned	March 31, 2016
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
Share capital - Equity (Issued, Subscribed and Paid-up)	3,500,000
Reserve & surplus	136,083,515
Total Assets	199,713,323
Total Liabilities (excluding share capital and reserve & surplus)	60,129,808
Investments	-
Turnover	228,932,379
Profit before taxation	31,490,506
Provision for taxation	23,107,254
Profit after taxation	8,383,252
Proposed Dividend	Nil
% of shareholding	100

Notes : The following information shall be furnished at the end of the statement :

- Names of subsidiaries which are yet to commence operations – **Not Applicable**
- Names of subsidiaries which have been liquidated or sold during the year – **Not Applicable**

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures - **Not Applicable** -

ANNEXURE 2
Statement of Disclosure of Remuneration Under Section 197 of the Companies Act, 2013 and Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2015-16

Name of Director	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
Hitesh Saiwal <i>(Upto April 30, 2015)</i>	Managing Director	12.84	92%

Note :

- Employees for the purpose above include all employees excluding employees governed under collective bargaining.
 - During the year, the Company has paid excess remuneration of ₹ 73.01 lacs to Mr. Hitesh Saiwal. The Company has made an application to the Central Government for excess remuneration paid and pending approval has treated the excess remuneration paid as a recoverable.
- ii. The percentage increase in remuneration of Chief Financial Officer and Company Secretary during the financial year 2015-16

Name	Designation	Percentage increase in Remuneration
Atithi Majumdar	Chief Financial Officer	10%
Rupesh Khokle	Company Secretary	6%

- iii. The percentage increase in the median remuneration of Employee for the financial year was 9.84 per cent.
- iv. There were 74 employees on rolls of the Company as on March 31, 2016.
- v. **Relationship between average increase in remuneration and Company performance :** The yearly increment in the remuneration is being given based on the KRA performance, market trend and general practice in same industry.
- vi. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the company :** The increase in remuneration and variable bonus payout are based on the performance

rating and market trend which was duly reviewed by Nomination and Remuneration Committee for Managing Director.

- vii. The Market Capitalisation of the Company as on March 31, 2016 was ₹ 114.07 crores as compared to ₹153.44 crores as on March 31, 2015. The price earnings ratio of the Company was 11.55 as at March 31, 2016 and was 25.96 as at March 31, 2015. The closing share price of the Company at BSE Limited on March 31, 2016 was ₹407.4/- per equity share of face value of ₹10/- each as compared to share price of ₹ 548/- per equity share as on March 31, 2015.
- viii. Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 10.93%. The average increase in employee remuneration shows competitive market and general market practice.
- ix. **Key parameters for any variable component of remuneration availed by the directors -**
Variable component is integral part of the remuneration of all employees including Directors. Every year, the key targets are assigned to each employee including Directors over the period of one year and the rating has been given based on the performance of each individual.
- x. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year**
- Not Applicable
- xi. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

ANNEXURE 3

Secretarial audit report for the financial year ended March 31, 2016 (Pursuant to Section 204(1) of Companies Act 2013 and the Rules made thereunder)

To,
The Members,
Morganite Crucible (India) Limited
B-11 MIDC Industrial Area,
Waluj, Aurangabad – 431136.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Morganite Crucible (India) Limited (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 (hereinafter called “the Audit Period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016, according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings ;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') : -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not applicable to the Company during the Audit Period**);

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);** and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period) ;**

We have also examined compliance with the applicable clauses of the following :

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards, mentioned above except to the extent as mentioned below:

- (i) The Company has filed various returns and forms under the Companies Act, 2013 with the Registrar of Companies, in compliance with the provisions of the respective statutes, beyond the time specified in the Act and/or Rules, on payment of additional fees, wherever applicable.

We further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes.

Based on the representations given by the Officers of the Company and the information provided to us regarding the compliance system followed by the Company, we further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as stated above.

Based on the representations from the Company and its officers, we further report that, during the audit period, there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs other than those reported hereunder :

- (i) The Company has applied to Central Government under Section 196,197 & Schedule V of Companies Act, 2013 reads with Rule 3 of Companies (Appointment and Remuneration Personnel) Rules, 2014 for managerial remuneration paid to Mr Hitesh Saiwal upto 30th April, 2015 and appointment and payment of managerial remuneration to Mr Aniruddha Karve present Managing Director of the Company for a period of 3 years effective from 1st July, 2015, in both events the Company has filed form MR-2 with Central Government with some delay and due to this delayed filing of above mentioned applications, the Company has applied to condon the delay with Central Government and the same are under process with the concern department.

For KMP & Associates
Company Secretaries

Sd/-

CS Mandar Takalkar

Partner

ACS 32369

COP 11947

Date : 30.05.2016

Place : Aurangabad

Note : This report is to be read with our letter of even date which is annexed as **Annexure A** & forms an integral part of this report.

ANNEXURE “A”

To,
The Members,
Morganite Crucible (India) Limited
B-11 MIDC Industrial Area,
Waluj, Aurangabad – 431136.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For KMP & Associates
Company Secretaries

Sd/-

CS Mandar Takalkar
Partner
ACS 32369
COP 11947

Date : 30.05.2016
Place : Aurangabad

Note : This report is to be read with our letter of even date which is annexed as **Annexure A** & forms an integral part of this report.

Annexure 4

Extract of Annual Return

Form No. MGT-9					
EXTRACT OF ANNUAL RETURN					
As on the financial year ended on March 31, 2016					
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]					
I. REGISTRATION AND OTHER DETAILS:					
i)	CIN:	L26920MH1986PLC038607			
ii)	Registration Date [DDMMYY]	13 th January, 1986			
iii)	Name of Company	Morganite Crucible (India) Limited			
iv)	Category of the Company	Public Company limited by shares			
v)	Sub Category of the Company	NA			
vi)	Address of the Registered Office	B-11, Waluj, MIDC, Aurangabad – 431 136, Maharashtra			
	Telephone	+91 240-6652514			
	Email Address	Rupesh.Khokle@morganplc.com			
vii)	Whether listed company	Yes			
viii)	Name, Address and Contact Number of RTA, if any	Sharepro Services (India) Private Limited Samhita Warehousing Complex, 13 AB, Gala No. 52, 2nd Floor, Near Sakinaka Telephone Exchange, Of Kurla, Andheri Road, Sakinaka, Mumbai – 400 072 Tel No.: +91 22- 67720300 (Upto May 24, 2016) Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (West), Mumbai - 400078. (Near Jainam Hall) (From May 25, 2016)			
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY					
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)					
Sr No	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company		
1	Crucibles	99889	100%		
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
Sr. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Morganite Crucible Limited Add: Quadrant, 55-57, High Street, Windsor, Berkshire, United Kingdom SL 4 LP	N.A.	Holding	38.50	Section 2 (46)
2	Morgan Terrassen B V Add: Kernweg 32, 1627LH, Hoorn	N.A.	Holding	36.50	Section 2 (46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year [As on 31 - March - 2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
(2) Foreign									
- Bodies Corporate	6,86,000	14,14,000	21,00,000	75.00	10,78,000	10,22,000	21,00,000	75.00	0.00
Total shareholding of Promoter (A)	6,86,000	14,14,000	21,00,000	75.00	10,78,000	10,22,000	21,00,000	75.00	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	7,465	-	7,465	0.27	1,395	-	1,395	0.05	- 0.22
b) Banks / FI	100	500	600	0.02	100	500	600	0.02	0.00
c) FIIs	17,709	-	17,709	0.63	23,309	-	23,309	0.83	0.20
Sub-total (B)(1):-	25,274	500	25,774	0.396	24,804	500	25,304	0.90	-0.2
2. Non-Institutions									
a) Bodies Corp.	68,966	200	69,166	2.47	35,054	200	35,254	1.25	1.22
i) Indian	-	-	-	-	-	-	-	-	0.00
ii) Overseas	-	-	-	-	-	-	-	-	0.00
b) Individuals	-	-	-	-	-	-	-	-	0.00
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4,72,582	97,109	5,69,691	20.34	5,30,723	94,309	6,25,032	18.95	1.67
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	23,020	-	23,020	0.82					-
c) Others (specify)	-	-	-	0.00	1,000	-	1,000	0.04	0.000
Non Resident Indians	12,149	200	12,349	0.44	13,210	200	13,410	0.47	0.13
Sub-total (B)(2):-	5,76,717	97,509	6,74,226	24.08	5,79,987	94,709	6,74,696	20.71	3.02
Total Public Shareholding (B)=(B)(1)+(B)(2)	6,01,991	98,009	7,00,000	25.00	6,04,791	95,209	700,000	21.62	3.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	12,87,991	15,12,009	28,00,000	100	16,82,791	11,17,209	28,00,000	100	-

ii) Shareholding of Promoter-								
Sr No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	MORGANITE CRUCIBLE LIMITED	10,78,000	38.50	-	10,78,000	38.50	-	-
2	MORGAN TERRASSEN BV	10,22,000	36.50	-	10,22,000	36.50	-	-
iii) Change in Promoters' Shareholding (please specify, if there is no change)								
There are no changes in the Promoter's shareholding during the Financial Year 2015-16.								
iv) Shareholding Pattern of top ten Shareholders:								
(other than Directors, Promoters and Holders of GDRs and ADRs):								
Sr No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year				
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company			
1	HMG FINANCE A/C HMG GLOBETROTTER							
	At the beginning of the year	17,709	0.6325	23,309	0.8325			
	Bought during the year	5,600	0.2000	-	-			
	Sold during the year	-	-	-	-			
	At the end of the year	23,309	0.8325	23,309	0.8325			
2	MUSTAFA MAZAHIR KHEDWALA							
	At the beginning of the year	2,400	0.0857	12,000	0.4286			
	Bought during the year	9,600	0.3429	-	-			
	Sold during the year	-	-	-	-			
	At the end of the year	12,000	0.4286	12,000	0.4286			
3	NEETA H. MEHTA							
	At the beginning of the year	11,678	0.4171	11,678	0.4171			
	Bought during the year	-	-	-	-			
	Sold during the year	-	-	-	-			
	At the end of the year	11,678	0.4171	11,678	0.4171			
4	VIJAY PRAKASH GUPTA							
	At the beginning of the year	11,342	0.4158	11,342	0.4158			
	Bought during the year	-	-	-	-			
	Sold during the year	-	-	-	-			
	At the end of the year	11,342	0.4158	11,342	0.4158			

Sr No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5	VIPULKUMAR ANOPCHAND SHAH				
	At the beginning of the year	10,000	0.3571	10,000	0.3571
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	10,000	0.3571	10,000	0.3571
6	APARNA RAJENDRA DESHPRABHU				
	At the beginning of the year	9,692	0.3461	9,692	0.3461
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	9,692	0.3461	9,692	0.3461
7	RAJENDRA JAGJIVANDAS SHAH				
	At the beginning of the year	7,713	0.2755	7,713	0.2755
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	7,713	0.2755	7,713	0.2755
8	VIJAY GUPTA (HUF)				
	At the beginning of the year	7,551	0.2697	7,551	0.2697
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	7,551	0.2697	7,551	0.2697
9	RAM KRISHAN KHANDELWAL				
	At the beginning of the year	6,441	0.2300	6,795	0.2427
	Bought during the year	354	0.0126	-	-
	Sold during the year	-	-	-	-
	At the end of the year	6,795	0.2427	6,795	0.2427
10	VARSHA RAJENDRA SHAH				
	At the beginning of the year	6,500	0.2321	6,500	0.2321
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	6,500	0.2321	6,500	0.2321

v) Shareholding of Directors and Key Managerial Personnel:

No Directors or Key Managerial Person holds any shares in the Company.

V. INDEBTEDNESS -
Indebtedness of the Company including interest outstanding/accrued but not due for payment -

The Company had no indebtedness with respect to secured or Unsecured Loans or Deposits during the Financial Year 2015-16

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-						
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:						
(<i>₹ in Lacs</i>)						
Sr. No	Particulars of Remuneration	Name of Managing Director				Total Amount
		Hitesh Saiwal				
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22.27				22.27
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.03				0.03
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	57.71				57.71
2	Stock Option	-				-
3	Sweat Equity	-				-
4	Commission	-				-
	- as % of profit	-				-
	others, specify...	-				-
5	Others, please specify	-				-
	Total	80.01				80.01
	Ceiling as per the Act**	7.00				7.00
B. Remuneration to other directors						
(<i>₹ in Lacs</i>)						
Sr. No	Particulars of Remuneration	Name of Directors				Total Amount
		Sadanand Shabde	Subhash Kolapkar	Maithilee Tambolkar	Mukund Bhogale*	
1	Independent Directors					
	Fee for attending board committee meetings	0.80	1.00	0.40	0.20	2.40
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	0.80	1.00	0.40	0.20	2.40
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	0.80	1.00	0.40	-	2.40
	Total Managerial Remuneration					82.41
	Overall Ceiling as per the Act**					7.00

* Mr Mukund Bhogale was appointed as an Additional Director (Independent) in the meeting of the Board of Directors held on October 29, 2015.

** Limits has been pro-rated based on the period served during the year and in accordance with the limits prescribed under section 197 read with Schedule V of the Act.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD				
<i>(₹ in Lacs)</i>				
SN	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22.42	9.79	32.21
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others, please specify	-	-	-
	Total	22.42	9.79	32.21
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:				
There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.				

ANNEXURE 5

Auditors Certificate on Corporate Governance

**To the Members of
Morganite Crucible (India) Limited**

We have examined the compliance of conditions of Corporate Governance by Morganite Crucible (India) Limited ('the Company') for the year ended on March 31, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1 April 2015 to 30 November 2015 and as per regulations 17-27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period from 1 December 2015 to 31 March 2016.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in clause 49 of the Listing Agreement or regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restrictions on Use

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No: 101248W/ W-1000022

Place: Mumbai
Date : 30 May 2016

Vijay Mathur
Partner
Membership No: 046476

Annexure 6

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Section 134 (m) of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014

- A. Conservation of Energy :
- a. Measures Taken During the year, the Company has made improvement in energy conservation and saving such as :
- Continuous advantages of existing upgraded Kiln for utilisation for CG firing.
 - Replaced conventional lights with LED
 - Re-cycling of waste heat in CG ovens
 - Optimum space utilisation for CG Kiln firing
- B. Additional Investments and proposals if any, for reduction of consumption of energy. The Company has spent ₹ 15 lacs during the year towards replacement of plant lighting with LED
- C. Impact of (a) & (b) Better utilization of the available resources, cost reduction and better overall efficiency
- D. Total Energy Consumption As per Form A in respect of industries specified in schedule.

FORM A

Form for disclosure of particulars with respect to Conservation of Energy

	For the year ended March 31, 2016	For the year ended March 31, 2015
<u>A. Power and Fuel Consumption:</u>		
1. Electricity		
a) Purchased		
Unit (KWH)	1,583,750	1,443,375
Total Amount (₹)	11,239,743	9,250,224
Rate/Unit (₹)	7.30	6.41
b) Own Generation		
i) Through Diesel Generator		
Units (KWH)	2,980	5,156
Units per ltr of Diesel oil	1.83	2.12
Cost per Unit (Rs. per ltr of diesel)	53.05	61.16
ii) Through Steam Turbine/generator	N.A.	N.A.
2. Coal (Specify quality and where used)	N.A.	N.A.
3. Furnace Oil	N.A.	N.A.
4. Others/Internal Generation		
a) LPG		
Quantity (KG)	1,004,470	1,041,390
Total Amount (₹)	38,546,665	60,810,835
Average Rate (₹/KG)	38.38	58.39
<u>B. Consumption per unit of Production:</u>		
<u>Refractories</u>		
i) Electricity	0.54	0.50
ii) Diesel	0.001	0.001
iii) LPG	0.36	0.36

FORM B

Form for Disclosure of Particulars with respect to Absorption

Research and Development (R&D) :

- | | | |
|------------------|---|---|
| Specific Area | ➤ | New product development such as induction crucible, higher capacity crucibles, aluminum scrap melting crucibles & degassing rotors etc. |
| | ➤ | Development of Ultramelt mix for high erosion resistance crucibles using advanced materials for high performance |
| Benefits Derived | ➤ | Diversification in product portfolio |
| | ➤ | Penetrating new market segments |
| | ➤ | Quality control and improvement |

Expenditure on R & D	(₹ in lacs)
Capital	-
Recurring	4.98
TOTAL	4.98
Total R & D expenditure as a percentage of Turnover	0.06%

Technology Absorption, Adaptation & Innovation :

- Efforts made :
- a) Development in foundry accessories products
 - b) Continuous improvement through training and development, suggestions schemes and Kaizens etc.

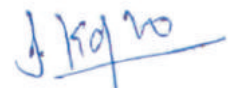
Benefits Derived : The Company has derived benefits in diversifying the market, simplified operation process, improvement in quality of product and process improvements etc.

Foreign Exchange Earnings and Outgo	:	(₹ in lacs)
Foreign Exchange Earnings		5,946.70
Foreign Exchange Outgo		1,782.41

For and on behalf of the Board,



Aniruddha Karve
(Managing Director)
DIN : 07180005



Subhash Kolapkar
(Director)
DIN : 06666368

Place: Aurangabad
Date: May 30, 2016

CORPORATE GOVERNANCE REPORT

Morgan's Philosophy on Code of Governance :

The Board of Directors of Morganite Crucible (India) Limited (“the Company”) and the Morgan Advanced Materials Plc, ultimate holding Company are committed to adhere sound Corporate Governance practices including but not limited to setting-up of clear objectives and appropriate ethical framework, establishing due processes, providing for transparency and clear enunciation of responsibility and accountability, implementing sound business planning, encouraging business risk assessment and evaluating performance and sufficiently recognizing individual and group contribution.

The Securities Exchange Board of India (SEBI) has introduced SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 effective from December 1, 2015 and several amendment in Clause 49 of the Listing Agreement during previous year with a view to enhance more transparency and accountability for listed organisations. Pertinently, the Company has proactively adopted entire norms as stipulated by SEBI and made reporting of all compliance in timely manner during the year.

As a commitment towards good governance practice, the Board of Directors of your Company has implemented several amended provisions in line with applicable regulations and guidelines such as mechanism for Whistle Blower, amendment in terms of reference of Audit Committee, Corporate Social Responsibility Committee, Risk Management Committee, amendment in Insider Trading Code and policy on materiality of Related Party Transactions dealing.

Board Of Directors :

The present composition of Board of Directors epitomizes ideal mix of wide experience in diverse field and professionalism. As on March 31, 2016 the Board comprises of 7 Directors out of which 6 are Non-Executive Directors (more than 75% of the total Board strength) and among these 6 Non-Executive Directors, 3 are Independent Directors. During the year, five Board of Directors meetings were held on April 30, 2015, May 25, 2015, August 13, 2015, October 29, 2015 and February 12, 2016.

The details of composition of the Directors on the Board, their attendance at the Board Meetings during the year and at the last Annual General Meeting, as well as the number of Directorships and Committee Memberships/Chairmanships held by them in other companies are as follows:-

Name	Category	Other Directorships Held#	Membership of Committees of other Companies	Attendance	
				Board Meetings	AGM
Sadanand Shabde (Chairman) (Upto October 29, 2015)	Non-Executive Independent	1	-	4	Yes
Hitesh Saiwal (Managing Director) (Upto April 30, 2015)	Executive	2	-	-	No
Stuart Cox (Upto April 30, 2015)	Non-Executive	1	-	-	No
Subhash Kolapkar	Non-Executive Independent	-	-	5	Yes
Ian Keith Arber	Non-Executive	1	-	5	Yes
Maithilee Tambolkar	Non-Executive Independent	-	-	2	No
Aniruddha Karve (Managing Director) (From July 1, 2015)	Executive	1	-	4	Yes
Pauline Tan (From August 13, 2015)	Non-Executive	-	-	3	Yes
Mirco Pavoni (From August 13, 2015)	Non-Executive	-	-	2	Yes
Mukund Bhogale (Chairman) (From October 30, 2015)	Non-Executive Independent	1	-	1	NA

excludes directorship in private limited companies, alternate directorship and companies incorporated outside India

- There are no Nominee Directors on the Board
- There are no inter-se relationship between Board members

Board Evaluation :

During the year, the evaluation of Board and Committee members was completed as per provisions of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) corresponding to Clause 49 of the Listing Agreement. The entire Board has actively participated in every Board and Committee meeting having focused on adherence of corporate governance norms

The performance evaluation was carried out of individual Directors on parameters such as attendance, contribution and independent judgement. The results of the Evaluation were shared with the Board, Chairman of respective Committees and individual Directors. The Board is looking forward to develop evaluation process over the period for effective functioning of Board as well as each Director.

Independent Directors :

As per Regulation 25 of SEBI LODR corresponding to provisions of Clause 49 of the Listing Agreement and Section 149 (6) of the Companies Act, 2013, the independent directors of the Company had duly contributed and shared their knowledge and experience in the Board and Committee meetings held during the year. Further, in compliance with Regulation 25 (6) of SEBI LODR, Mr Mukund Bhogale was appointed as an Independent Director and nominated as Chairman of Board and Committees effective from October 30, 2015 replacing Mr Sadananad Shabde, Chairman and Independent Director who resigned from the Board and Committee effective from October 29, 2015. The Company has 3 independent directors on board as on March 31, 2016 and none of director is serving more than seven listed entities as an independent director.

During the year, the independent directors have held one meeting without presence of any Morgan directors and reviewed the performance of non-independent directors as well as receipt of timeliness of information of Board and Committee meetings. Further the independent directors of the Company apart from receiving sitting fees, have no any material pecuniary relationship with promoter or any subsidiary company.

Familiarisation Program for Directors

In compliance to Regulation 25 (7) of SEBI LODR corresponding to amendment in Clause 49 (II)(B)(7) of the Listing Agreement vide SEBI Circular CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014, further amended vide Circular CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, the Directors including Independent Directors of the Company provided with insights on various aspects on company performance, compliance status, detailed information on regulatory amendment, mandatory information as per listing regulations, financial performance of subsidiary company, capex information and Morgan policy and procedures.

The details of such familiarization program for Independent Directors are posted on the website of the Company and can be accessed at http://www.morganmms.com/sites/default/files/familiarisation_program_for_independent_director_mcil.pdf

Membership in Board Committees :

None of the Directors on the Board is a member in more than 10 committees or acts as chairman of more than 5 committees. The necessary disclosures regarding Committee memberships/chairmanships have been made by the Directors.

Code of Conduct :

The Company has established code of conduct for its Board Members and Senior Management personnel. The code of conduct for the Board Members and Senior Management personnel is posted on the Company's website, www.morganmms.com. All the Board members and senior management personnel have complied with the code of conduct.

WHISTLE BLOWER POLICY :

In compliance with SEBI LODR and Clause 49 of Listing Agreement, the Company has set up a Whistle Blower Policy with a view to provide a mechanism for directors and employees of the Company to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. The ethics policy poster having dedicated e-mail address and toll free number are placed in various places of company's premises as well as the said policy is also posted on the company's website which can be accessible on the following weblink- http://www.morganmms.com/sites/default/files/whistle_blower_policy_-_june-15.pdf

BOARD COMMITTEES :

The Company has constituted various committees in compliance with SEBI LODR Regulations corresponding to Clause 49 of the listing agreement and the Companies Act, 2013, such as Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee. All committees comprise combination of non-executive and executive members for better supervision and control.

AUDIT COMMITTEE :

The Audit Committee comprises of the following Directors :

- | | | | |
|----|---|---|-----------------------------------|
| 1. | Mr. Mukund Bhogale | – | Chairman and Independent Director |
| | (From October 30, 2015) | | |
| 2. | Mr. Subhash Kolapkar | – | Independent Director |
| 3. | Ms. Maithilee Tambolkar | – | Independent Director |
| 4. | Ms. Pauline Tan | – | Non-executive Director |
| | (From 13 August 2015) | | |
| 5. | Mr. Ian Keith Arber | - | Non-executive Director |
| | (From 30 April 2015 upto 13 August 2015) | | |
| 6. | Mr. Sadanand Shabde | – | Independent Director |
| | (Chairman and Member upto October 29, 2015) | | |
| 7. | Mr. Hitesh Saiwal | | |
| | (Upto April 30, 2015) | | |

The Company Secretary act as the Secretary of the committee.

All the Members of the Audit Committee are financially literate with some having accounting or related financial management expertise.

During the year under review, four meetings of the Committee were held on May 25, 2015, August 13, 2015, October 29, 2015 and February 11, 2016. The audit committee has also invited Directors, Finance Head and other executives as may be deemed fit during the meeting. The details of attendance of the meeting are as follows :

Name	No. of meetings held	No. of meetings attended
Mr Mukund Bhogale <i>(From October 30, 2015)</i>	1	1
Mr Subhash Kolapkar	4	4
Ms Maithilee Tambolkar <i>(From 30 April 2015)</i>	4	2
Ms Pauline Tan <i>(From August 13, 2015)</i>	2	2
Sadanand Shabde <i>(Upto October 29, 2015)</i>	3	3
Ian Keith Arber <i>(From 30 April 2015 upto 13 August 2015)</i>	2	2
Hitesh Saiwal <i>(Upto April 30, 2015)</i>	-	-

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on September 22, 2015. In addition to the above, the Committee meetings were also attended by the Finance Manager and other executives of the Company.

Power of Audit Committee

The Audit Committee shall have powers, which include the following :

- ▶ To investigate any activity within its terms of reference
- ▶ To seek information from any employee
- ▶ To obtain outside legal or other professional advice
- ▶ To secure attendance of outsiders with relevant expertise, if it considers necessary

The broad terms of reference of the Committee are to review and recommend the financial statements and to review the adequacy of internal control systems and internal audit function. The detailed terms of reference of the Committee as approved by the Board are given below :

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, quarterly and annual financial statements and auditors report thereon before submission to the board for approval ;

5. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
6. Approval or any subsequent modification of transactions of the company with related parties;
7. Scrutiny of inter-corporate loans and investments;
8. Valuation of undertakings or assets of the company, wherever it is necessary;
9. Evaluation of internal financial controls and risk management systems;
10. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
11. Reviewing the adequacy of internal audit function and discussion with internal auditors for any significant findings and follow up thereon.
12. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
13. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
14. Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
15. To review the functioning of the Whistle Blower mechanism.
16. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The brief terms of reference of Audit Committee is also available on Company's website at following weblink – http://www.morganmms.com/sites/default/files/audit_committee_terms_of_reference_jun-15.pdf

NOMINATION AND REMUNERATION COMMITTEE :

In terms of Regulation 19 of SEBI LODR corresponding to Clause 49 of Listing Agreement and Section 178 (1) of the Companies Act, 2013, the Nomination and Remuneration Committee should comprise of at least 3 directors all of whom shall non-executive directors and at least half shall be independent and Chairman of the Committee shall be an independent director.

In Compliance with the above provisions, the Nomination and Remuneration Committee comprises of the following Directors :

- | | | | |
|----|--|---|-----------------------------------|
| 1. | Mr. Mukund Bhogale
(From October 30, 2015) | – | Chairman and Independent Director |
| 2. | Mr. Subhash Kolapkar | – | Independent Director |
| 3. | Mr. Ian Keith Arber | – | Non-Executive Director |
| 4. | Mr. Sadanand Shabde
(Chairman & member upto October 29, 2015) | – | Independent Director |

The role of the Committee shall, inter-alia, include the following :

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;

3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

The Chairman of the Nomination and Remuneration Committee i.e. Mr Sadanand Shabde was present at the 30th Annual General Meeting held on September 22, 2015 to answer the shareholders queries. During the year under review, two meetings were held on May 25, 2015 and October 29, 2015.

Details of Remuneration paid to Executive and Non-Executive Director are as follows :

During the year, Mr Hitesh Saiwal resigned from the post of Managing Director w.e.f. April 30, 2015 and Mr Aniruddha Karve was appointed as Managing Director of the company for a term of 3 (three) years effective from July 1, 2015 in the meeting of Board of Directors held on May 25, 2015 and with unanimous approval of shareholders in the 30th Annual General Meeting held on September 22, 2015.

The Company has paid total remuneration of ₹ 8,000,563 to Mr Hitesh Saiwal as mentioned below for the financial year 2015-16 (excluding Gratuity, leave encashment and Superannuation fund amounting to ₹ 2,206,504) which is in excess of the limits prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 7,300,563 for which the Company has made an application to the Central Government.

Particulars	Amount in ₹
Salaries	6,340,094
Notice pay	1,442,832
Variable performance pay	217,637
Total	8,000,563

Notes :

- (a) Mr Hitesh Saiwal has resigned from the Company effective from April 30, 2015 from the post of Managing Director and Mr Aniruddha Karve was appointed as Managing Director of the Company in the Board of Directors meeting held on May 25, 2015 effective from July 1, 2015 subject to approval of members in ensuing annual general meeting.
- (b) During the financial year 2015-16, the remuneration to Mr Aniruddha Karve was paid from Morgan Advanced Materials India Private Limited and the Company shall pay the remuneration for the financial year 2016-17 and 2017-18 subject to approval of Central Government.
- (c) The Company does not have a Stock Options scheme for the Directors or its senior management.
- (d) Non-Executive Director are not holding any shares of the Company.

Sitting fees paid to Independent Directors during the financial year 2015-16 are given below :

(Amount in ₹)

Independent Director	Sitting Fees
Mr Sadanand Shabde (Upto October 29, 2015)	80,000
Subhash Kolapkar	100,000
Maithilee Tambolkar	40,000
Mukund Bhogale (From October 30, 2015)	20,000
TOTAL	240,000

Apart from the above, the Company is not paying any sitting fees or commission to other Non-executive Directors of the Company and they have waived their right of getting sitting fees for attending the Board and Committee meeting.

SUBSIDIARY COMPANY :

Morganite Crucible (India) Limited (MCIL) holds 51 per cent stake in the Diamond Crucible Company Limited (DCCL) having its manufacturing facility at Mehsana, Gujarat. Mr Sadanand Shabde, Chairman of the Board, was a Director of DCCL until October 29, 2015 and Mr Mukund Bhogale was nominated as Non-executive Director of DCCL effective from October 30, 2015.

Pursuant to Regulation 24 of LODR corresponding to Clause 49 of Listing Agreement, the Audit Committee of the company has reviewed the financial statements of DCCL and Board minutes held during the year. It was also noted that DCCL has not entered into any significant transactions and arrangements in the financial year 2015-16.

The Company has not disposed of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting.

STAKEHOLDERS RELATIONSHIP COMMITTEE :

The Stakeholders Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints.

The Stakeholders Relationship Committee comprises of the following Directors :

- | | | | |
|----|---|---|-----------------------------------|
| 1. | Mr. Mukund Bhogale
(From October 30, 2015) | – | Chairman and Independent Director |
| 2. | Mr. Subhash Kolapkar | – | Independent Director |
| 3. | Mr. Ian Keith Arber | - | Non-executive Director |
| 4. | Mr. Aniruddha Karve
(From July 1, 2015) | - | Managing Director |
| 5. | Mr. Sadanand Shabde
(Chairman & member upto October 29,2015) | – | Independent Director |

Mr Rupesh Khokle, Company Secretary acting as Compliance Officer of the Committee.

The Committee met three times during the year. The Company has not received any complaint from any shareholder regarding transfer or transmission of shares during the year however the company has successfully addressed the queries raised by shareholders regarding financial performance of the company during Annual General Meeting and any other requests from time to time. The details of attendance of meeting are as per below -

Name	Attended
Mr Mukund Bhogale <i>(From October 30, 2015)</i>	1
Mr Aniruddha Karve <i>(From July 1, 2015)</i>	2
Mr Subhash Kolapkar	3
Mr Ian Keith Arber	1
Mr Sadanand Shabde <i>(Upto October 29, 2015)</i>	2

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE :

The Board of Directors has constituted the Corporate Social Responsibility (“CSR”) Committee comprises of following Directors :

1. Mr. Mukund Bhogale – Chairman and Independent Director
(From October 30, 2015)
2. Mr. Aniruddha Karve – Managing Director
(From July 1, 2015)
3. Mr. Ian Keith Arber – Non-executive Director
4. Mr. Sadanand Shabde – Independent Director
(Chairman & member upto October 29, 2015)

During the year under review, the committee met once on May 25, 2015. The Company has donated 140 school benches to Naygaon Govt. School from first to seventh standard students. The Committee will focus on spending of CSR funds in local area for environment sustainability, promoting education and enhancing skills and any other activity as per CSR Policy.

Role and Function of CSR Committee :

The brief roles and functions of CSR committee shall include the following :

1. The Committee shall be overall responsible for identification, selection, approval, execution, planning, supervision, co-ordination and monitoring of various CSR projects, programmes and activities in line with CSR policy;
2. To consider and recommend various Schemes/Projects for financial assistance for approval of Board of Directors of the Company;
3. To keep updated the Board on execution of the desired CSR activities at periodical intervals and to submit the necessary reports to the Board for their consideration twice in a year;
4. To interact with the Govt. Officials, NGOs/Social Organisation for the selection of areas in line Schedule VII of the Companies Act, 2013 and finalization and implementation of Schemes; &
5. To ensure receipt of statement of expenditure duly certified by an authorized auditor of such organizations/institutions to whom CSR Fund is allocated.

RISK MANAGEMENT COMMITTEE :

The Risk Management Committee of the Board comprises of following members :

1. Mr. Mukund Bhogale – Chairman and Independent Director
(From October 30, 2015)
2. Mr. Aniruddha Karve – Managing Director
(From July 1, 2015)
3. Mr. Ian Keith Arber – Non-executive Director
4. Ms. Pauline Tan – Non-executive Director
5. Mr. Sadanand Shabde – Independent Director
(Chairman & member upto October 29, 2015)

The responsibility of the committee includes maintaining of sound system of risk oversight, management, and internal control and to assess, manage and monitor the operational and environmental risk.

GENERAL BODY MEETINGS :

The details of the General Body meetings held in the last three years are given below :

Financial Year	Venue	Type of Meeting	Date	Time	Special Resolution Passed
March 31, 2013	Registered Office of the Company: B-11,MIDC Industrial Area, Waluj, Aurangabad-431136, Maharashtra, India	AGM	September 25, 2013	11.00 AM	Yes
March 31, 2014		AGM	September 25, 2014	11.00 AM	Yes
March 31, 2015		AGM	September 22, 2015	11.00 AM	Yes

- (a) Whether any Special Resolution passed through Postal Ballot during last year: No
- (b) Details of Voting Pattern: Not Applicable
- (c) Person who conducted the Postal Ballot exercise: Not Applicable
- (d) Whether any Special Resolution proposed to be conducted through Postal Ballot: No
- (e) Procedure for Postal Ballot: Not Applicable

DISCLOSURES :
Related Party Transactions :

During the year, the Company has taken omnibus approval from the Audit Committee in their meeting held on May 25, 2015 for the transactions entered with the related parties during the year. The transactions with related parties were also being reviewed on quarterly basis at every Audit Committee meeting and ensured that the same were at arms' length basis.

As per Regulation 46 of SEBI LODR Regulations, 2015, the Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions which is available on Company's website at-

http://www.morganmms.com/sites/default/files/policy_on_materiality_of_related_party_transactions_dealings.pdf

Materially Significant Related Party Transactions :

During the year under review, there have been no materially significant transactions between the Company and executive, non-executive, independent directors, relatives of directors or subsidiary company taken place. None of the executive, non-executive or independent directors hold any shares in the Company.

Disclosure of Accounting Treatment :

During the year under review, the Company has prepared financial statements in accordance with the generally accepted accounting principles in India under historical cost convention on accrual basis. The Company has prepared these financial statements to comply in all material respects with the applicable accounting standards notified pursuant to Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules 2014.

Statutory Compliance :

There has been no instance of non-compliance by the Company on any matter related to capital markets during last three years and no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI. The Company has complied with all mandatory requirements laid down by Schedule V of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 corresponding to Clause 49 of the Listing Agreement.

Management :

- a) The management discussions and analysis report shall form part the Annual Report.
- b) None of the senior management of the Company has any financial or commercial dealings which had potential conflict of the interest with the Company.

Succession Planning :

The Nomination and Remuneration Committee works with the Board on succession of Board members and Senior Management on periodical basis.

Shareholders' Information :

- a) Details of the Directors who are proposed to appoint in this Annual General Meeting (AGM) are provided below :

Mr Ian Keith Arber

Mr Ian Keith Arber who joined as Non-executive Director of the Company effective from February 11, 2015 liable to retire by rotation in ensuing Annual General Meeting pursuant to provisions of Section 152 (6) of the Companies Act, 2013.

Mr. Mukund Bhogale

The Board of Directors of the Company has appointed Mr Mukund Bhogale as an Additional Director (Independent) of the Company effective from October 30, 2015. As per Section 149 and Section 152 of the Companies Act, 2013, an Independent Director can hold office for a term upto 5 (five) consecutive years on the Board of a company and he/she shall not be included in the total number of directors for retirement by rotation.

Mr. Mukund Bhogale is not disqualified from being appointed as a Director (Independent) in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr Mukund Bhogale that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Mr. Mukund Bhogale qualified as Bachelor of Chemical Engineering in 1981 from U.D.C.T. Mumbai University. Presently, Mr. Bhogale is Chairman and Managing Director of NIRLEP Appliances Private Limited, having its manufacturing facility at Aurangabad and also holds Directorship in various other companies. He holds other positions of trustees and members in various NGO's and trusts. He was also holding position of President and Chairmanship of Chamber of Marathwada Industries & Agriculture, (CMIA), Marathwada Zonal Council-Confederation of Indian Industry (CII) and Marathwada Auto Cluster (MAC). He has been actively involved in various social, industrial gathering and made significant contribution during chairmanship of CMIA and MAC.

- b) The Board promptly publishes quarterly results after end of every Board Meeting on their website as well as be sent to Bombay Stock Exchange after end of the Board Meeting.

Disclosure of formal letter of appointment :

The draft letter of appointment of the independent director has been disclosed on the Company's website which link is accessible at http://www.morganmms.com/sites/default/files/draft_appointment_letter_of_independent_director.pdf

CEO/CFO CERTIFICATION :

A certificate from the Chief Executive Officer (Managing Director) & Chief Financial Officer of the Company, on the financial statements and other matters of the Company for the financial year ended March 31, 2016, was placed before the Board at its meeting held on May 30, 2016.

MEANS OF COMMUNICATION :

During the year under review, un-audited quarterly & half-yearly results on standalone basis and audited financial results on standalone and consolidated basis of the Company were submitted to the stock exchanges soon after the Board meeting approved these financial results and were published in two leading newspapers – Business Standard (English) & Maharashtra Times (Marathi). These were also promptly put on the Company's website www.morganmms.com. No presentations have been made to institutional investors or analysts.

GREEN INITIATIVE :

As an initiative taken by the Ministry of Corporate Affairs (MCA) “Green Initiative in the Corporate Governance”, the Company is also committed to undertake the same in its business communication. During the year under review, the Company has sent the Annual Reports, intimation of dividend and other communications via e-mail to those shareholders whose e-mail address were registered with Registrar and Transfer Agent.

GENERAL INFORMATION FOR SHAREHOLDERS :

- a. **Date, Time and Venue of 31st Annual General Meeting:**
 Date & Time : Wednesday, August 10, 2016 at 11:00 AM
 Venue : B-11, MIDC Area, Waluj, Aurangabad – 431 136, Maharashtra
- b. **Tentative Financial Calendar for the year 2016-17 :**
 Financial year : April 1, 2016 to March 31, 2017
 First Quarter results : August 11, 2016
 Half Yearly results : Second week of November, 2016
 Third Quarter results : Second week of February, 2016
 Results for year-end : Second week of May, 2017
- c. **Date of Book Closure :**
 August 4, 2016, Tuesday to August 10, 2016, Wednesday (both days inclusive)
- d. **Dividend :** The Board of Directors in its Board meeting held on May 30, 2016 has recommended a dividend ₹ 4/- per equity share for the financial year 2015-16 subject to approval of shareholders which shall be paid on or before of September 9, 2016.
- e. **Unclaimed Dividend Account :** As per Section 124 of the Companies Act, 2013 any dividend amount unpaid or unclaimed for a period of seven years to be transferred to Investor Education and Protection Fund. The details of unpaid dividend given as below :

Year	Dividend per share	Date of Declaration	Due Date	Unclaimed Amount in INR
2014-15	Re. 1	22/09/2015	21/10/2015	51,535
2013-14	Re. 1	25/09/2014	24/10/2014	51,373
2012-13	Re. 1	25/09/2013	24/10/ 2013	49,150
2011-12	Re. 1	17/08/2012	16/09/ 2012	2,029

f. Listing Details :

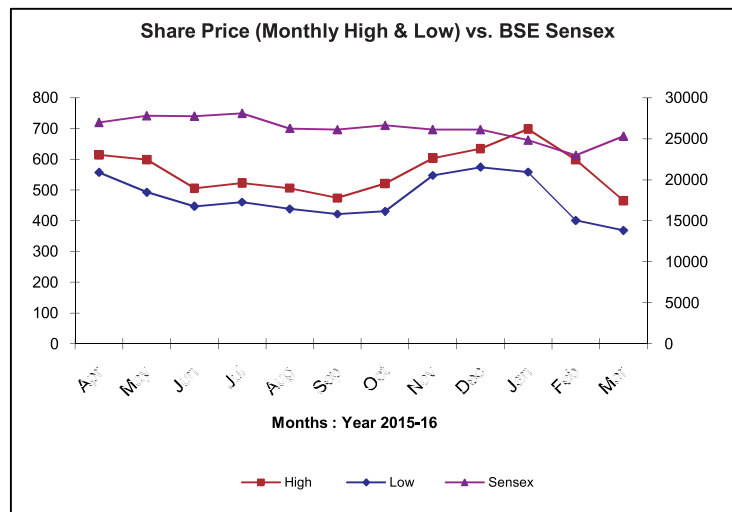
Name of Stock Exchange : Bombay Stock Exchange Ltd.

Security Code : 523160

ISIN Number : INE599F01012

The annual listing fee for the financial year 2015-16 has been duly paid to the above stock exchange.

Month	Open	High	Low	Close
Apr-15	575.25	614.75	558.00	563.00
May-15	588.75	599.00	493.50	506.50
Jun-15	504.00	506.00	447.50	471.00
Jul-15	480.00	523.50	461.00	468.80
Aug-15	471.00	507.00	439.00	480.00
Sep-15	462.00	474.50	422.00	435.00
Oct-15	450.00	522.30	431.20	522.30
Nov-15	548.25	604.25	548.25	586.25
Dec-15	590.00	635.00	575.00	625.25
Jan-16	692.00	699.00	559.00	582.50
Feb-16	579.00	599.75	401.25	405.25
Mar-16	422.60	465.90	369.00	407.40


h. Distribution of Shareholding as at March 31, 2016 :

Sr No	Particulars	No. of Shares	No. of Shareholders	% of Share Capital
1	Promoter			
	a. Morganite Crucible Limited	10,78,000	1	38.50
	b. Morgan Terrassen B V	10,22,000	1	36.50
2	Individual	625,032	2,454	22.32
3	Domestic Companies	35,254	82	1.25
4	Nationalised Banks	600	2	0.02
5	Other Mutual Funds	1,395	1	0.05
6	NRI Non Rep / Rep	13,410	31	0.48
7	Foreign Institutional	23,309	1	0.83
8	Trusts	1,000	1	0.05
	TOTAL	28,00,000	2,574	100.00

i. **Dematerialisation of securities :**

The Equity shares of the Company are traded compulsorily in the dematerialized segment of Bombay Stock Exchange (BSE) and are under rolling settlement. Presently, 1,682,791 Equity Shares representing 60% of the total Equity Capital of the Company were held in dematerialized as on March 31, 2016.

j. **Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity :** The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

k. **Share transfer system :** The share transfers received in physical form are processed by the Registrar and Transfer Agent and approved by the Stakeholders' Relationship Committee. The share certificates are returned to the member/s within the stipulated period, subject to the documents being valid and complete in all respects. A summary of transfer/ transmission of shares of the Company so approved are placed at Board Meeting.

l. **Registered and Plant Location :**

B-11, MIDC Waluj, Aurangabad – 431 136 (MS)

n. **Compliance Officer / Contact Person & Address for Correspondence :**

Mr. Rupesh Khokle : Company Secretary & Compliance officer

E-mail: rupesh.khokle@morganplc.com

Regd. Office: B-11, MIDC Waluj, Aurangabad – 431 136 (MS)

o. **Investor services :** E-mail: rupesh.khokle@morganplc.com

p. **Registrars & Transfer Agents :**

SHAREPRO SERVICES INDIA PRIVATE LIMITED

Samhita Warehousing Complex 13 AB, Gala No. 52, 2nd Floor,

Near Sakinaka Telephone Exchange,

Off Kurla, Andheri Road, Sakinaka, Mumbai – 400072

Phone (022) 67720300 (Upto May 24, 2016)

Link Intime India Private Limited

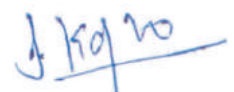
C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (West),

Mumbai - 400078. (Near Jainam Hall) (From May 25, 2016)

For and on behalf of the Board,



Aniruddha Karve
(Managing Director)
DIN : 07180005



Subhash Kolapkar
(Director)
DIN : 06666368

Place: Aurangabad
Date: May 30, 2016

CEO(MD)/CFO CERTIFICATION TO THE BOARD

May 21, 2016

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief :
- i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;
 - ii) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee -
- i) Significant change in internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Aniruddha Karve
(Managing Director)
DIN : 07180005

Atithi Majumdar
(Chief Financial Officer)

Place : Aurangabad

Independent Auditors' Report To the Members of Morganite Crucible (India) Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Morganite Crucible (India) Limited (“the Company”), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in

conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 37 to the standalone financial statements, which more fully explains that during the year the Company has paid managerial remuneration to Mr. Hitesh Saiwal- Managing Director amounting to ₹ 10,207,067 which is in excess of the limits specified in section 197 read with Schedule V of the Companies Act 2013 by ₹ 7,300,563. The Company has made an application to the Central Government for excess remuneration paid and pending approval has treated the excess remuneration paid as a recoverable. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 to the financial statements.
 - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No: 101248W/ W-100022

Place : Mumbai
Date : 30 May 2016

Vijay Mathur
Partner
Membership No: 046476

Annexure A to the Independent Auditors' Report on the Standalone Financial Statements

Referred to in paragraph 2(f) in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Morganite Crucible (India) Limited on the standalone financial statements for the year ended 31 March 2016.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of Morganite Crucible (India) Limited (“the Company”) as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Control

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Control Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Control Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No: 101248W/ W-100022

Place : Mumbai
Date : 30 May 2016

Vijay Mathur
Partner
Membership No: 046476

Annexure B to the Independent Auditors' Report

With reference to the Annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that :

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which its fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this programme, all fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of the immovable properties are held in the name of the Company.
- (ii) The inventory, except good-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between physical stocks and book records were not material.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not granted any loans, made any investments, or provided any guarantees, or security to which the provisions of section 185 and 186 of the Companies Act, 2013 apply. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits in accordance with the provisions of sections 73 to 76 of the Act and the rules made there under.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the goods manufactured by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, employees' state insurance, Income tax, Sales tax, Service tax, Value added tax, duty of customs, duty of excise and any other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, employees' state insurance, Income tax, Service tax, Sales tax, Value added tax, duty of customs, duty of excise and other statutory dues were in arrears as at 31 March 2016, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Value added tax, Service tax, duty of Customs, and duty of Excise which have not been deposited with the appropriate authorities on account of any dispute except as disclosed below.

Name of the Statute	Nature of dues	Amount*	Period to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	1,896,472	2005-06 to 2009-10	Commissioner of Central Excise and Service Tax

(*excluding interest and penalty)

- (viii) In our opinion and according to the information and explanations given to us, the Company did not have any outstanding dues to any financial institution, banks, government or any debentures during the year.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) During the year the Company has paid managerial remuneration to Mr. Hitesh Saiwal- Managing Director amounting to ₹ 10,207,067 which is in excess of the limits specified in section 197 read with Schedule V of the Companies Act 2013 by ₹ 7,300,563. The Company has made an application to the Central Government for excess remuneration paid and pending approval has treated the excess remuneration paid as a recoverable. Refer note 37 to the financial statements.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as per the Act.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Act and the details, as required by the applicable accounting standards have been disclosed in the financial statements.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to register under section 45-IA of the Reserve Bank of India, 1934.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No: 101248W/ W-100022

Place : Mumbai
Date : 30 May 2016

Vijay Mathur
Partner
Membership No: 046476

Balance Sheet
as at 31 March 2016

(Currency : Indian rupees)

	Notes	31 March 2016	31 March 2015
Equity and liabilities			
Shareholders' funds			
Share capital	3	28,000,000	28,000,000
Reserves and surplus	4	668,877,982	583,594,954
		<u>696,877,982</u>	<u>611,594,954</u>
Non-current liabilities			
Deferred tax liability (net)	5	-	1,409,713
		<u>-</u>	<u>1,409,713</u>
Current liabilities			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	6	2,889,340	2,773,106
-total outstanding dues of creditors other than micro enterprises and small enterprises	6	90,980,313	98,609,221
Other current liabilities	7	48,637,605	22,463,627
Short-term provisions	8	40,181,728	13,260,907
		<u>182,688,986</u>	<u>137,106,861</u>
		<u>879,566,968</u>	<u>750,111,528</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	147,548,503	164,547,068
Intangible assets	9	4,856,794	13,551,416
Capital work-in-progress	9	26,257,696	10,157,015
		<u>178,662,993</u>	<u>188,255,499</u>
Non-current investments	10	49,698,740	49,698,740
Deferred tax asset (net)	5	13,410,054	-
Long-term loans and advances	11	38,320,490	85,861,897
		<u>280,092,277</u>	<u>323,816,136</u>
Current assets			
Inventories	12	117,272,068	123,657,456
Trade receivables	13	144,278,065	120,399,358
Cash and bank balances	14	254,624,286	121,327,976
Short-term loans and advances	15	80,373,094	53,550,360
Other current assets	16	2,927,178	7,360,242
		<u>599,474,691</u>	<u>426,295,392</u>
		<u>879,566,968</u>	<u>750,111,528</u>
Significant accounting policies	2		
Notes to the financial statements	3-45		

The notes referred to above form an integral part of the Balance Sheet

As per our report of even date attached.

 For **B S R & Co. LLP**
Chartered Accountants

Firm's Registration No: 101248W / W-100022

For and on behalf of the Board of Directors of

Morganite Crucible (India) Limited
CIN: L26920MH1986PLC038607
Vijay Mathur
Partner

Membership No : 046476

Place : Mumbai

Date : 30 May 2016

Aniruddha Karve
Managing Director

DIN : 07180005

Place : Aurangabad

Date : 30 May 2016

Subhash Kolapkar
Director

DIN : 06666368

Place : Aurangabad

Date : 30 May 2016

Atithi Majumdar
Chief Financial Officer

Place : Aurangabad

Date : 30 May 2016

Rupesh Khokle
Company Secretary

Place : Aurangabad

Date : 30 May 2016

Statement of Profit and Loss
for the year ended 31 March 2016

(Currency : Indian rupees)

	Notes	31 March 2016	31 March 2015
Revenue from operations			
Sale of products (gross)		907,043,642	906,760,221
Less: Excise duty		33,177,840	31,339,016
Sale of products (net)	17	873,865,802	875,421,205
Other operating revenues	18	12,865,029	11,604,508
		886,730,831	887,025,713
Other income	19	24,792,180	5,847,313
Total revenue		911,523,011	892,873,026
Expenses			
Cost of materials consumed	20	307,691,290	345,183,715
Changes in stocks of finished goods and work-in-progress	21	8,349,504	91,205
Employee benefits expense	22	122,769,991	107,159,456
Finance costs	23	-	74,168
Depreciation and amortisation expense	24	71,065,042	78,725,541
Other expenses	25	246,313,697	254,562,749
		756,189,524	785,796,834
Profit before tax		155,333,487	107,076,192
Tax expense:			
Current tax		70,689,400	55,852,000
Deferred tax (credit)		(14,819,767)	(18,500,713)
Short provision of earlier years		700,730	9,504,450
Profit for the year		98,763,124	60,220,455
Earnings Per Share: (face value of Rs 10 per share)			
Basic (Rs.)	39	35.27	21.51
Diluted (Rs.)		35.27	21.51
Significant accounting policies	2		
Notes to the financial statements	3-45		

The notes referred to above form an integral part of the Statement of Profit and Loss

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants

Firm's Registration No: 101248W / W-100022

For and on behalf of the Board of Directors of
Morganite Crucible (India) Limited
CIN: L26920MH1986PLC038607
Vijay Mathur

Partner

Membership No : 046476

Place : Mumbai

Date : 30 May 2016

Aniruddha Karve
Managing Director

DIN : 07180005

Place : Aurangabad

Date : 30 May 2016

Subhash Kolapkar
Director

DIN : 06666368

Place : Aurangabad

Date : 30 May 2016

Atithi Majumdar
Chief Financial Officer

Place : Aurangabad

Date : 30 May 2016

Rupesh Khokle
Company Secretary

Place : Aurangabad

Date : 30 May 2016

Cash Flow Statement
for the year ended 31 March 2016

(Currency: Indian rupees)

	31 March 2016	31 March 2015
Cash flow from operating activities		
Net Profit before tax	155,333,487	107,076,192
Non-cash adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	71,065,042	78,725,541
Loss on sale / write off of fixed assets	-	1,225,413
Unrealised foreign exchange loss	1,221,085	4,514,036
Finance costs	-	74,168
Interest income	(4,528,069)	(3,818,328)
	<u>67,758,058</u>	<u>80,720,830</u>
Operating cash flow before changes in working capital	<u>223,091,545</u>	<u>187,797,022</u>
Changes in working capital		
Decrease in inventories	6,385,388	19,095,291
(Increase) / decrease in trade receivables	(23,878,707)	14,125,084
(Increase) in short-term loans & advances	(26,822,734)	(586,652)
Decrease/ (increase) in long-term loans & advances	47,385,709	(13,057,387)
Decrease/ (increase) in other current assets	5,180,259	(983,318)
Increase /(decrease) in other current liabilities	7,366,538	(620,649)
Decrease in trade payables	(7,512,674)	(110,653,691)
Increase in short term provisions	2,420,619	3,027,873
	<u>10,524,398</u>	<u>(89,653,449)</u>
Cash generated from operations	233,615,943	98,143,573
Taxes paid	(57,540,854)	(64,776,439)
Net cash from operating activities (A)	<u>176,075,089</u>	<u>33,367,134</u>
Cash flow from investing activities		
Purchase of fixed assets, including expenditure on capital work in progress	(42,055,913)	(37,860,705)
Proceeds from sale of fixed assets	-	592,513
Movement in fixed deposits (net)	(110,001,005)	19,913,039
Interest received	3,780,874	3,358,179
Net cash used in investing activities (B)	<u>(148,276,044)</u>	<u>(13,996,974)</u>
Cash flow from financing activities		
Finance costs paid	-	(74,168)
Dividend paid	(2,800,000)	(2,800,000)
Dividend tax paid	(570,024)	(475,860)
Net cash used in financing activities (C)	<u>(3,370,024)</u>	<u>(3,350,028)</u>
Net increase in cash and cash equivalents (A+B+C)	<u>24,429,021</u>	<u>16,020,132</u>
Effect of exchange differences on cash and cash equivalents held in foreign currency	(1,221,085)	(4,514,036)
Cash and cash equivalents at the beginning of the year	<u>121,245,411</u>	<u>109,739,315</u>
Cash and cash equivalents at the end of the year (refer schedule 14)	<u>144,453,347</u>	<u>121,245,411</u>

(Currency: Indian rupees)

Notes

	31 March 2016	31 March 2015	31 March 2014
1 Components of Cash and Cash Equivalents			
Cash on hand	6,837	949	23,830
Cheques on hand	-	-	578,857
Bank balances			
- In current accounts	112,385,801	58,159,375	85,810,962
- Export Earner's Foreign Currency account (EEFC)	32,060,709	63,085,087	23,325,666
Total Cash and Cash Equivalents	144,453,347	121,245,411	109,739,315

Significant accounting policies

2

Notes to the financial statements

3-45

The notes referred to above form an integral part of the Cash Flow Statement

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W / W-100022

For and on behalf of the Board of Directors
of Morganite Crucible (India) Limited
CIN: L26920MH1986PLC038607

Vijay Mathur

Partner

Membership No : 046476

Place : Mumbai

Date : 30 May 2016

Aniruddha Karve

Managing Director

DIN : 07180005

Place : Aurangabad

Date : 30 May 2016

Subhash Kolapkar

Director

DIN : 06666368

Place : Aurangabad

Date : 30 May 2016

Atithi Majumdar

Chief Financial Officer

Place : Aurangabad

Date : 30 May 2016

Rupesh Khokle

Company Secretary

Place : Aurangabad

Date : 30 May 2016

Notes to the financial statements

for the year ended 31 March 2016

(Currency: Indian Rupees)

1. Background

Morganite Crucible (India) Limited ('the Company') was incorporated on 13 January 1986 under the Companies Act, 1956 and its shares are listed on the Bombay Stock Exchange (BSE). The Company is engaged in the business of manufacturing and selling of silicon carbide and clay graphite crucibles and its accessories.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

2.1 Basis of preparation of financial statements

These financial statements have been prepared and presented on the accrual basis of accounting and comply in all material respects with the applicable accounting standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian rupees.

2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Current–non-current classification

All assets and liabilities are classified into current and non-current

Assets

An asset is classified as current when it satisfies any of the following criteria :

- (a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria :

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as a period within 12 months for the purpose of current – non-current classification of assets and liabilities.

2.4 Revenue recognition

Revenue is recognised when the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods. Sales are accounted net of value added tax and trade and volume discounts, if any. Interest income is recognized using the time proportion method, based on the underlying interest rates. Dividend income is recognized when the right to receive dividend is established.

Export entitlements are recognized in the statement of profit and loss in the year of exports provided that there is no significant uncertainty regarding the entitlement to the credit and the amount thereof.

2.5 Fixed assets and depreciation/amortisation

(a) (i) Tangible fixed assets

Tangible assets are carried at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes inward freight, duties, taxes (to the extent not recoverable from tax authorities) and expenses incidental to acquisition and installation of the fixed assets up to the time the assets are ready for intended use. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

(ii) Depreciation on tangible fixed assets

Leasehold land is amortised on a straight line basis over the primary period of lease, i.e. 99 years.

In respect of other assets, depreciation is provided on straight line method based on useful life prescribed in Schedule II to the Companies Act 2013 as given below :

Gross block	Sub-asset	Useful lives (years)
Building	Office building	60 years
	Factory building	30 years
Plant and equipments	Plant and machinery	15 years
	Relining of Kiln*	6 years
	Computers	3 years
Vehicles	Vehicles	8 years
Office equipment	Office equipment	5 years
Furniture and fixtures	Furniture and fixtures	10 years

*For these class of assets, based on internal technical assessment, the useful lives as given above are believed to best represent the period over which the assets are expected to be used. Hence, the useful life of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

(b) Intangible fixed assets

Intangible assets comprising of Non-competition agreement, Distribution Rights and Software cost are carried at cost of acquisition less accumulated amortisation and impairment loss, if any. Non competition agreement is amortised over its contractual period of 5 years. Distribution Rights are amortised on a straight-line basis over a period of ten years and Software cost is amortised on a straight line basis over a period of 5 years, which in management's opinion represents the period during which economic benefits will be derived from their use.

2.6 Impairment of assets

In accordance with AS 28 on 'Impairment of assets', the Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. Value in use is the present value of the estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. In assessing the value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

2.7 Investments

Long term investments are stated at cost. Provision for diminution in value is made only when in the opinion of the management there is a decline other than temporary in the carrying value of such investments. Current investments are valued at lower of cost and fair value.

2.8 Employee benefits

(a) Short term employee benefits :

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. These benefits include salary, wages and bonus, compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period of rendering of service by the employee.

(b) Long term employee benefits :

(i) Defined contribution plans

The Company has defined contribution plans for post employment benefits namely Provident Fund and Superannuation Scheme which are recognised by the income tax authorities.

The Company contributes to a Government administered provident fund and superannuation fund on behalf of its employees and has no further obligation beyond making its contribution.

The Company makes contributions to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995 and has no further obligation beyond making the payment to them.

The Company's contributions to the above funds are charged to the Statement of Profit and Loss every year.

(ii) Defined benefit plans

Post-employment benefits :

The Company's gratuity scheme with Life Insurance Corporation of India is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The present value of the obligation under such defined benefit plan is determined based on independent actuarial valuation at the Balance Sheet date using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the Balance Sheet date. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

Other long-term employment benefits :

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the Balance Sheet date. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the Balance Sheet date.

2.9 Borrowing costs

Borrowing costs that are attributable to acquisition, construction or production of qualifying assets are capitalised as part of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

2.10 Inventories

Inventories which comprises of raw materials, work-in-progress, finished goods, stores and spares are valued at lower of cost and net realisable value. Cost is determined under the moving average price method and includes all costs incurred in bringing the inventories to their present location and condition. Finished goods and Work-in-progress include appropriate proportion of costs of conversion. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Valuation of work-in-progress is based on stage of completion. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.11 Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the dates of the transactions. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit and Loss of that year. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the closing exchange rates. The resultant exchange differences are recognized in the Statement of Profit and Loss.

Forward exchange contracts relating to firm commitments or highly probable forecast transactions are marked to market and the resultant net exchange loss is recorded in accordance with the concept of prudence.

2.12 Operating leases

Lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating leases. Lease payments under operating lease are recognised as an expense in the Statement of Profit and Loss on a straight line basis.

2.13 Taxes on Income

Income-tax

Income tax expense comprises current tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions, in accordance with the Income tax Act, 1961.

Deferred tax

Deferred tax charge or credit and the corresponding deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income taxes and profits/ losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or

carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

2.14 Earnings per share ('EPS')

Basic EPS is computed by dividing the net profit attributable to shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year-end, except where the results would be anti dilutive.

2.15 Provisions and contingencies

Provision is recognised in the Balance Sheet when the Company has a present obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and reliable estimation can be made of the amount required to settle the obligation. Contingent liabilities arising from claims, litigation, assessment, fines, penalties etc. are disclosed when there is a possible obligation or a present obligation as a result of a past event where it is not probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reasonably estimated. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosures is made.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

Notes to the financial statements (Continued)
as at 31 March 2016

(Currency : Indian rupees)

3 Share capital
Authorised capital :

5,000,000 (2015 : 5,000,000) equity shares of Rs. 10 each

	31 March 2016	31 March 2015
	<u>50,000,000</u>	<u>50,000,000</u>

Issued

2,800,000 (2015: 2,800,000) equity shares of Rs 10 each, fully paid-up

	<u>28,000,000</u>	<u>28,000,000</u>
--	-------------------	-------------------

Subscribed and paid-up

2,800,000 (2015: 2,800,000) equity shares of Rs 10 each, fully paid-up

	<u>28,000,000</u>	<u>28,000,000</u>
--	-------------------	-------------------

Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year:

	31-Mar-16		31-Mar-15	
	Number	Amount	Number	Amount
Number of shares outstanding at the beginning and at the end of the year	2,800,000	28,000,000	2,800,000	28,000,000

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Company has proposed dividend per share of Rs. 4 (2015: Rs.1) for distribution to equity shareholders.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by holding company and subsidiaries of the ultimate holding company

	31 March 2016		31 March 2015	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Shares of the Company held by -				
Morganite Crucible Limited, subsidiary of the ultimate holding company.	1,078,000	38.50%	1,078,000	38.50%
Morgan Terreassen BV, subsidiary of the ultimate holding company.	1,022,000	36.50%	1,022,000	36.50%

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

The only shareholders holding more than 5 percent shares as on the date of the Balance Sheet are Morganite Crucible Limited and Morgan Terreassen BV (as disclosed above), both of which are subsidiaries of the ultimate holding company, The Morgan Advanced Materials Plc.

4 Reserves and surplus
Capital reserve

At the commencement and at the end of the year

Central government investment subsidy under '1993 package scheme of incentives'

1,500,000	1,500,000
-----------	-----------

State government investment subsidy under '1983 package scheme of incentives'

500,000	500,000
---------	---------

Securities premium account

At the commencement and at the end of the year

35,000,000	35,000,000
------------	------------

Forfeited shares

At the commencement and at the end of the year

Capital profit on re-issue of forfeited shares

4,000	4,000
-------	-------

Investment allowance reserve under the Income tax Act, 1961

At the commencement and at the end of the year

405,000	405,000
---------	---------

General reserve

At the commencement and at the end of the year

48,583,000	48,583,000
------------	------------

Surplus in the statement of profit and loss

At the commencement of the year

497,602,954	442,222,463
-------------	-------------

Less : Adjustment on account of revised useful life of fixed assets

-	1,469,940
---	-----------

Add: Profit after tax for the year

98,763,124	60,220,455
------------	------------

Amount available for appropriation

596,366,078	500,972,978
-------------	-------------

Less : Appropriations

Proposed equity dividend

(11,200,000)	(2,800,000)
--------------	-------------

Dividend distribution tax

(2,280,096)	(570,024)
-------------	-----------

Net surplus in statement of profit and loss

582,885,982	497,602,954
-------------	-------------

Total reserves and surplus

<u>668,877,982</u>	<u>583,594,954</u>
--------------------	--------------------

(Currency : Indian rupees)

	31 March 2016	31 March 2015
5 Deferred tax (asset) / liabilities (net)		
<i>Deferred tax liabilities</i>		
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/amortisation provided in accounts	-	1,862,851
<i>Deferred tax asset</i>		
Excess of depreciation/ amortisation on fixed assets provided in accounts over depreciation/amortisation under income-tax law	9,113,605	-
Provision for employee benefits	1,156,504	453,138
Provision for doubtful advances	2,526,579	-
Provision for doubtful debts	613,366	-
Net deferred tax (asset) / liabilities	<u>(13,410,054)</u>	<u>1,409,713</u>
6 Trade payables		
- total outstanding dues of micro enterprises and small enterprises (<i>refer note 40</i>)	2,889,340	2,773,106
- total outstanding dues of creditors other than micro enterprises and small enterprises	90,980,313	98,609,221
	<u>93,869,653</u>	<u>101,382,327</u>
7 Other current liabilities		
Unclaimed dividend (<i>refer note below</i>)	154,087	66,718
Advances received from customers	2,456,895	1,371,534
Deposits	276,658	356,000
Employee benefits payable	9,821,524	8,640,261
Statutory dues to:		
- Provident and other funds	759,867	743,484
- Others:		
Service tax	2,486,023	-
Customs duty	611,634	586,289
Professional tax	-	27,900
Excise duty on closing stock of finished goods	3,860,819	4,414,162
Tax deducted at source	3,241,132	8,384
Creditors for capital goods	24,968,966	6,248,895
	<u>48,637,605</u>	<u>22,463,627</u>
Note - There are no amounts due to the Investor Education and Protection Fund.		
8 Short-term provisions		
Provision for employee benefits:		
Compensated absences	3,341,724	2,659,326
Other provisions		
Warranties (<i>refer note 43</i>)	8,969,778	7,231,557
Proposed dividend	11,200,000	2,800,000
Dividend distribution tax	2,280,096	570,024
Income-tax (<i>net of advance taxes paid</i>)	14,390,130	-
	<u>40,181,728</u>	<u>13,260,907</u>

Morganite Crucible (India) Limited
Notes to the financial statements (Continued)
as at 31 March 2016

(Currency : Indian rupees)

9 Fixed assets

	Leasehold Land	Building	Plant and equipments	Computers	Vehicles	Office equipments	Furniture and fixtures	Total tangible assets	Software	Non-competition agreement	Distribution Rights	Total Intangible assets	Total Fixed Assets
Gross Block													
Balance as at 1 April 2014	1,684,375	64,007,754	384,173,297	5,732,355	581,072	3,625,073	3,774,302	463,578,228	18,829,627	2,924,924	48,720,587	70,475,138	534,053,366
Additions	-	4,393,339	22,399,842	210,404	48,644	1,211,477	1,425,593	29,689,299	311,000	-	-	311,000	30,000,299
Deletions	-	1,820,827	1,034,983	-	-	-	-	2,855,810	-	-	-	-	2,855,810
Balance as at 31 March 2015	1,684,375	66,580,266	405,538,156	5,942,759	629,716	4,836,550	5,199,895	490,411,717	19,140,627	2,924,924	48,720,587	70,786,138	561,197,855
Additions	-	4,939,971	34,772,843	1,635,918	-	460,060	3,563,063	45,371,855	-	-	-	-	45,371,855
Deletions	-	-	-	54,684	-	-	-	54,684	-	-	-	-	54,684
Balance as at 31 March 2016	1,684,375	71,520,237	440,310,999	7,523,993	629,716	5,296,610	8,762,958	535,728,888	19,140,627	2,924,924	48,720,587	70,786,138	606,515,026
Depreciation													
Balance as at 1 April 2014	493,053	20,108,920	228,692,211	3,118,557	208,349	446,640	1,616,023	254,683,753	6,643,089	2,924,924	38,982,032	48,550,045	303,235,798
Depreciation for the year	17,014	3,094,599	63,915,105	1,524,586	93,285	861,291	534,984	70,040,864	3,812,618	-	4,872,059	8,684,677	78,725,541
Accumulated depreciation on disposals	-	-	371,932	-	-	-	-	1,037,884	-	-	-	-	1,037,884
Depreciation against reserves	-	-	1,674,533	-	-	360,287	141,096	2,175,916	-	-	-	-	2,175,916
Balance as at 31 March 2015	512,067	22,537,567	293,909,917	4,643,143	301,634	1,668,218	2,292,103	325,864,649	10,455,707	2,924,924	43,854,091	57,234,722	383,099,371
Depreciation for the year	17,014	3,498,426	55,871,383	1,102,876	98,973	1,009,071	772,677	62,370,420	3,828,126	-	4,866,496	8,694,622	71,065,042
Accumulated depreciation on disposals	-	-	-	54,684	-	-	-	54,684	-	-	-	-	54,684
Balance as at 31 March 2016	529,081	26,035,993	349,781,300	5,691,335	400,607	2,677,289	3,064,780	388,180,385	14,283,833	2,924,924	48,720,587	65,929,344	454,109,729
Net Block													
As at 31 March 2015	1,172,308	44,042,699	111,628,239	1,299,616	328,082	3,168,332	2,907,792	164,547,068	8,684,920	-	4,866,496	13,551,416	178,098,484
As at 31 March 2016	1,155,294	45,484,244	90,529,699	1,832,658	229,109	2,619,321	5,698,178	147,548,502	4,856,794	-	-	4,856,794	152,405,297
Capital work-in-progress													
Balance as at 1 April 2014	-	-	1,239,975	-	-	-	-	1,239,975	-	-	-	-	1,239,975
Additions	-	-	8,917,040	-	-	-	-	8,917,040	-	-	-	-	8,917,040
Balance as at 31 March 2015	-	-	10,157,015	-	-	-	-	10,157,015	-	-	-	-	10,157,015
Additions	-	-	26,257,696	-	-	-	-	26,257,696	-	-	-	-	26,257,696
Assets capitalised during the year	-	-	10,157,015	-	-	-	-	10,157,015	-	-	-	-	10,157,015
Balance as at 31 March 2016	-	-	26,257,696	-	-	-	-	26,257,696	-	-	-	-	26,257,696

(Currency : Indian rupees)

31 March 2016

31 March 2015

10 Non-current investments
(Valued at cost unless stated otherwise)
Unquoted trade investment

 Investment in equity instruments in subsidiary company
 17,850 (2015 : 17,850) fully paid equity shares of Diamond Crucible
 Company Limited of Rs.100 each.

49,698,740

49,698,740

49,698,740
49,698,740

Aggregate amount of unquoted investments

49,698,740

49,698,740

11 Long-term loans and advances
(Unsecured, considered good)

Capital advances

-

696,552

Security deposits

1,501,757

2,013,151

Value added tax receivable

22,338,758

26,396,391

Cenvat credit receivable

-

42,816,682

 Advance taxes paid *(net of provisions)*
14,479,975

13,939,121

38,320,490
85,861,897
12 Inventories
(At lower of cost and net realisable value - also refer note 2.10)

 Raw materials and packing materials *(refer note 33)*
54,736,250

53,187,569

[Including goods-in-transit Rs. 8,786,623 (2015 : Rs.3,586,917)]

 Work-in-progress *(refer note 21)*
25,549,138

25,905,331

 Finished goods *(refer note 21)*
31,904,357

39,897,668

[Including goods-in-transit Rs. 3,494,070 (2015 : Rs.9,896,952)]

Stores and spares

5,082,323

4,666,888

117,272,068
123,657,456
13 Trade receivables
(Unsecured, considered good unless stated otherwise)

Outstanding for a period exceeding six months from the date they are due for payment

Considered good

-

8,955,929

Considered doubtful

1,772,326

-

Less: Provision for doubtful receivables

(1,772,326)

-

8,955,929

Others receivables

-

Considered good

144,278,065

111,443,429

144,278,065
120,399,358
14 Cash and bank balances

Cash and cash equivalents

- Cash on hand

6,837

949

- Bank balances

- In current accounts

112,385,801

58,159,375

- Export Earnings Foreign Currency account (EEFC)

32,060,709

63,085,087

144,453,347
121,245,411

Other bank balances

- Unpaid dividend accounts

154,087

66,718

 - Fixed deposits with maturity more than three months from deposit date but less than
 twelve months from the balance sheet date.

110,016,852

15,847

254,624,286
121,327,976
Details of bank balances / deposits

 Bank balances available on demand/deposits with original maturity of three months or
 less included under 'Cash and cash equivalents

144,446,510

121,244,462

 Bank deposits due to mature within twelve months of reporting date included under
 'Other bank balances and unclaimed dividend accounts

110,170,939

82,565

254,617,449
121,327,027

(Currency : Indian rupees)

	31 March 2016	31 March 2015
15 Short-term loans and advances		
<i>(Unsecured, considered good)</i>		
To parties other than related parties		
Advance to suppliers	8,865,153	5,991,501
Prepaid expenses	1,920,295	4,283,224
Value added tax receivable	6,226,626	9,992,590
Cenvat credit receivable	62,238,128	31,691,610
Gratuity fund with Life Insurance Corporation of India (refer note 34)	891,840	1,349,983
Loans to employees	231,052	241,452
To related parties		
Recoverable from related party (refer note 37)		
Considered good	-	-
Considered doubtful	7,300,563	-
	<u>7,300,563</u>	<u>-</u>
Less: Provision for doubtful advances	<u>(7,300,563)</u>	<u>-</u>
	<u>-</u>	<u>-</u>
	<u>80,373,094</u>	<u>53,550,360</u>
16 Other current assets		
Interest accrued on VAT refund	747,195	1,198,410
Duty drawback receivable	1,989,813	6,042,025
Insurance claim receivable	190,170	119,807
	<u>2,927,178</u>	<u>7,360,242</u>
17 Revenue from operations		
Sale of products (gross)	907,043,642	906,760,221
Less: Excise duty	33,177,840	31,339,016
Sale of products (net)	<u>873,865,802</u>	<u>875,421,205</u>
Break-up of revenue from sale of products		
Crucibles	873,865,802	869,451,344
Die-Lube	-	5,969,861
	<u>873,865,802</u>	<u>875,421,205</u>
18 Other operating revenues		
Sale of scrap	944,992	960,272
Duty drawback on exports	11,920,037	10,644,236
	<u>12,865,029</u>	<u>11,604,508</u>
19 Other income		
Interest income on:		
- Deposits with banks	4,528,069	3,714,402
-VAT refund	747,195	-
-Delayed payment by customers	633,135	103,926
Net gain on account of foreign exchange fluctuations	14,626,694	-
Liabilities written back to the extent no longer required	4,257,087	2,028,985
	<u>24,792,180</u>	<u>5,847,313</u>
20 Cost of materials consumed		
Inventory of materials at the beginning of the year	53,187,569	68,064,507
Purchases	309,239,971	330,306,777
Inventory of materials at the end of the year	54,736,250	53,187,569
(refer note 33)	<u>307,691,290</u>	<u>345,183,715</u>

(Currency : Indian rupees)

	31 March 2016	31 March 2015
21 Changes in stocks of finished goods and work in progress		
Inventory at the end of the year		
Finished goods - Crucibles	31,904,357	39,897,668
Work in progress - Crucibles	25,549,138	25,905,331
Inventory at the beginning of the year		
Finished goods - Crucibles	39,897,668	38,204,455
Work in progress - Crucibles	25,905,331	27,689,749
	8,349,504	91,205
22 Employee benefits expense		
Salaries, wages and bonus	108,155,779	93,503,287
Contribution to provident and other funds (refer note 34)	5,572,702	5,375,735
Gratuity (refer note 34)	1,604,335	3,900,396
Staff welfare expenses	7,437,175	4,380,038
	122,769,991	107,159,456
23 Finance costs		
Interest expense on VAT assessments	-	74,168
	-	74,168
24 Depreciation and amortisation		
Depreciation of tangible fixed assets	62,370,420	70,040,864
Amortisation of intangible fixed assets	8,694,622	8,684,677
	71,065,042	78,725,541
25 Other expenses		
Consumption of stores and spares	7,013,919	6,088,094
Decrease in excise duty on inventory of finished goods	(553,284)	(210,040)
Power and fuel	49,786,408	70,061,059
Repairs to buildings	4,933,213	985,657
Repairs to machinery	16,495,826	13,658,274
Repairs others	4,655,348	2,592,851
Rent	3,630,337	4,380,494
Rates and taxes	6,295,413	716,793
Travelling and motor car expenses	11,445,187	9,881,901
Legal and professional fees	10,908,089	3,852,820
Insurance	2,673,438	1,550,619
Payment to auditor (refer note 27)	2,180,117	2,135,667
Sales commission	2,371,414	4,068,641
Directors' sitting fees	240,000	140,000
Trade Mark Charges	6,273,952	5,987,022
Management charges (includes prior period expense of Rs. 1,370,183 (2015 : Rs. 6,980,000))	52,973,843	67,296,700
No claim compensation	924,382	1,217,442
Business development and promotional expenses	9,213,730	12,100,300
SAP training and maintenance expenses	11,545,029	6,785,162
Loss on sale / retirement of fixed assets	-	1,225,413
Provision for doubtful receivables	1,772,326	-
Provision for doubtful recoverables	7,300,563	-
Freight outward	13,023,712	11,938,644
Bank charges	887,398	953,314
Watch and ward	2,979,004	2,845,626
Net loss on account of foreign exchange fluctuations	-	10,379,436
Corporate Social Responsibility expenses	434,205	-
Miscellaneous expenses	16,910,128	13,930,860
	246,313,697	254,562,749

(Currency : Indian rupees)

	31 March 2016	31 March 2015		
26 Contingent liabilities and commitments				
Contingent Liabilities:				
a. Claims by employees towards unfair labour practices under Section 28 read with items 1(a), (b), (c), 2 (b), 3, 4(a), (e) and (f) of Schedule II and items 5, 6, 9 and 10 of Schedule IV of the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971 for which amounts are not ascertainable.	-	-		
b. Disputed employees' state insurance demand against which the Company has preferred appeals.	52,498	52,498		
c. Demand for excise duty liability* raised by tax authorities for the payment of excise duty on sales tax discount availed by the Company on pre-mature payment of sales tax during the period 2005-06 to 2009-10 under sales tax discount scheme. Department contends that the amount of discount received should be included in the transaction value for calculation of excise duty. The Company has filed an appeal to the Commissioner of Central Excise and Service Tax *(excluding interest and penalty)	1,896,472	1,896,472		
d. Dispute raised by tax authorities for disallowance of certain expenses for FY 2011-12 u/s 92CA (3) of Income Tax Act 1961. The Company has filed an appeal before Dispute Resolution Panel (DRP) for the same.*(excluding interest and penalty)	15,342,967	-		
e. Liabilities in respect of employee related matters	2,421,007	-		
Notes:				
i) It is not practicable for the Company to estimate the timings of cash outflow, if any, in respect of the resolutions above the pending of respective proceedings.				
ii) The Company does not expect any reimbursement in respect of the above contingent liabilities.				
Commitments:				
a. Estimated amount of contracts remaining to be executed on capital account and not provided for	-	229,885		
27 Payment to auditors (excluding service tax)				
Particulars				
As auditor				
Statutory audit	1,037,000	850,000		
Tax audit	106,000	100,000		
Limited review of quarterly results	636,000	600,000		
Certification fees	53,000	50,000		
In other capacity				
Audit of group reporting package	113,000	300,000		
Transfer pricing services	75,000	75,000		
Reimbursement of expenses	160,117	160,667		
	<u>2,180,117</u>	<u>2,135,667</u>		
28 C.I.F. value of imports				
Particulars	118,490,143	133,930,207		
Raw materials				
	<u>118,490,143</u>	<u>133,930,207</u>		
29 Expenditure in foreign currency				
Particulars				
Royalty/Trademark charges	6,273,952	5,987,022		
Professional and consultancy fees	296,771	231,155		
Others :				
Management charges	52,973,843	67,296,700		
Sales commission	1,819,539	2,868,641		
Travelling and motor car expenses	533,607	1,252,891		
Training expenses	453,926	-		
Repairs to Machinery	180,104	-		
Total	<u>62,531,742</u>	<u>77,636,409</u>		
30 Earnings in foreign currency				
Particulars	594,669,648	608,109,058		
FOB value of exports				
	<u>594,669,648</u>	<u>608,109,058</u>		
31 Imported and indigenous raw material and packing material consumed				
	31 March 2016	31 March 2015		
Particulars	Value	% of total consumption	Value	% of total consumption
Imported	127,602,879	41%	146,920,996	43%
Indigenous	180,088,411	59%	198,262,719	57%
Total	<u>307,691,290</u>	<u>100%</u>	<u>345,183,715</u>	<u>100%</u>

for the year ended 31 March 2016

(Currency: Indian Rupees)

32 Imported and indigenous stores and spares consumed

Particulars	31 March 2016		31 March 2015	
	Value	% of total consumption	Value	% of total consumption
Imported	-	0%	-	0%
Indigenous	7,013,919	100%	6,088,094	100%
Total	7,013,919	100%	6,088,094	100%

33 Break up of cost of materials consumed**

Particulars	31 March 2016	31 March 2015
Silicon carbide	76,847,265	82,304,968
Graphite	77,896,873	93,111,708
Resin	27,745,656	37,192,617
Packing material	28,357,634	27,460,998
Ferro Silicon	27,115,968	26,677,252
Others	69,727,894	78,436,172
Total	307,691,290	345,183,715

** The consumption includes adjustments for raw materials write-off, shortage / excess, slow moving provision etc.

Break up of inventory of raw materials

Particulars	31 March 2016	31 March 2015
Silicon carbide	4,243,806	2,768,699
Graphite	18,183,896	22,383,221
Ferro Silicon	6,243,729	6,162,567
Resin	2,143,267	2,340,169
Packing material	3,112,577	2,287,069
Others	20,808,975	17,245,844
Total	54,736,250	53,187,569

34 Employee benefits – Post employment benefit plans

Effective from 1 January 2007, the Company adopted Accounting Standard 15 (revised 2005) on “Employee Benefits”.

Defined contributions plans

The Company makes contributions, determined as specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Superannuation Scheme, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount as an expense towards contribution to Provident Fund and Superannuation Scheme for the year aggregated to Rs.5,572,702 (2015: Rs. 5,375,735).

Defined benefit plans
Gratuity

The Company operates post employment defined benefit plans that provide gratuity benefit. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service at the time of retirement / exit. The scheme is funded by plan assets.

The following table summarizes the position of assets and obligations relating to the plan.

Particulars	31 March 2016	31 March 2015
Fair value of plan assets	18,604,565	17,528,533
Present value of obligation	(17,712,725)	(16,178,550)
Net asset recognized in balance sheet	891,840	1,349,983

Classification into current / non-current

The asset in respect of the gratuity plan comprises of the following non-current and current portions

Particulars	Non-Current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Gratuity	-	-	891,840	1,349,983
Total	-	-	891,840	1,349,983

Composition of plan assets

Particulars	31 March 2016	31 March 2015
Insurer Managed Funds	18,604,565	17,528,533

Movement in present values of defined benefit obligations

Particulars	31 March 2016	31 March 2015
Defined benefit obligation at the beginning of the year	16,178,550	11,296,409
Interest cost	1,287,813	1,051,696
Current service cost	1,323,945	978,919
Benefits paid	(1,597,317)	(370,384)
Liability transferred in acquisition	153,000	-
Actuarial loss on obligations	366,734	3,221,910
Present value of obligation as at the end of the year	17,712,725	16,178,550

Defined benefit plans (Continued)
Gratuity (Continued)

	31 March 2016	31 March 2015
Movement in fair value of plan assets		
Fair value of plan assets at the beginning of the year	17,528,533	16,525,719
Expected return on plan assets	1,395,271	1,437,738
Actuarial loss on plan assets	(21,114)	(138,555)
Contributions	1,146,192	74,015
Assets Transferred In	153,000	-
Benefits paid	(1,597,317)	(370,384)
Fair value of plan assets as at the end of the year	<u>18,604,565</u>	<u>17,528,533</u>

Expense recognized in the Statement of Profit and Loss
Particulars

Current service cost	1,323,945	978,919
Interest cost	1,287,813	1,051,696
Expected return on plan assets	(1,395,271)	(1,437,738)
Net actuarial loss recognized in the year	387,848	3,360,465
Total included in 'employee benefits expense'	<u>1,604,335</u>	<u>3,953,342</u>

Actual return on plan assets
Particulars

Expected return on plan assets	1,395,271	1,437,738
Actuarial loss on plan assets	(21,114)	(138,555)
Actual return on plan assets	<u>1,374,157</u>	<u>1,299,183</u>

Principal actuarial assumptions

The following are the principal actuarial assumptions for leave encashment and gratuity at the reporting date (expressed as weighted averages):

Actuarial assumptions	31 March 2016	31 March 2015
Discount rate	8.08%	7.96%
Salary escalation	7.00%	7.00%
Rate of return on plan assets	8.08%	8.70%
Attrition rate	2.00%	2.00%

- Gratuity is payable to all eligible employees of the Company on superannuation, death, and permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972.
- The discount rate is based on the prevailing market yields Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.
- Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- The Company's gratuity fund is managed by Life Insurance Corporation of India. The plan assets under the fund are invested under approved securities.

Five-year information

The amounts for the current and the previous four periods are as follows:

Particulars	2016	2015	2014	2013	2012
Defined benefit obligation	17,712,725	16,178,550	11,296,409	10,917,052	7,988,192
Fair value of plan assets	18,604,565	17,528,533	16,525,719	11,970,033	8,133,635
Surplus in the plan	(891,840)	(1,349,983)	(5,229,310)	(1,052,981)	(145,443)
Experience adjustment on plan liabilities	594,900	1,111,298	233,102	1,337,063	(237,462)
Experience adjustment on plan assets	(21,114)	(138,555)	(106,920)	(144,194)	(85,251)

Notes to the financial statements (Continued)
 for the year ended 31 March 2016

(Currency: Indian Rupees)

35 Segment reporting
a) Business Segments:

The Company recognizes its sale of crucibles activity as its only primary business segment since its operations predominantly consist of manufacture and sale of crucibles to its customers. Accordingly, income from sale of crucibles comprises the primary basis of segmental information set out in these financial statements.

b) Geographical segments:

Geographical segment will be the secondary segment for the purpose of AS-17 (Segment reporting). Geographical revenues are allocated based on the location of the customers to whom goods are sold.

Particulars	31 March 2016						31 March 2015				Total			
	India	Onsite India			Total	India	Outside India			Total				
		Asia and Far East	Europe	Africa and Middle East			North America	Other	Asia and Far East			Europe	Africa and Middle East	North America
Revenue from external customers	267,435,983	140,955,234	204,146,246	145,628,687	107,466,410	8,233,242	873,865,802	244,287,079	152,813,884	216,207,534	141,973,117	101,009,345	19,130,246	875,421,205
Carrying amount of segment assets (Trade receivables only)	44,119,008	23,583,115	51,855,415	15,233,718	5,985,514	3,501,295	144,278,065	5,502,696	65,667,619	33,298,603	9,754,221	4,468,394	1,707,825	120,399,358
Addition to fixed assets during the year	61,472,536	-	-	-	-	-	61,472,536	38,917,339	-	-	-	-	-	38,917,339

36 Related party disclosures
A. Names of related parties
a. Parties (where controls exists)

Morgan Advanced Materials Plc - Ultimate Holding Company

b. Investing Associates

 Morganite Crucible Limited (holds 38.50% of issues, subscribed and paid up capital)
 Morganite Crucible Limited (holds 36.50% of issues, subscribed and paid up capital)

c. Other related parties with whom transactions have taken place during the year

i. Subsidiary company

ii. Fellow subsidiary companies

 Diamond Crucible Company Limited
 Morganite Crucible Inc, USA
 Morgan Molten Metal System GMBH, Germany
 Morgan Molten Metal System (Suzhou) Company Limited, China
 Morgan Karbon Grafit Sanayi A.S.
 Thermal Ceramics UK
 Murugappa Morgan Thermal Ceramics Limited
 Morganite South Africa Pty Limited (previously Thermal Ceramics South Africa Pty Ltd)
 Morganite Brasil LTDA
 Grupo Industrial Morgan, S.A. de C., Pachuca
 Morganite Carbon Kabushiki Kaisha, Osaka
 Furnace Industries
 Morgan Ceramics Asia Pte Ltd, Singapore

d. Key Management Person

 Mr. Aniruddha Karve – Managing Director (appointed on 1 July 2015)
 Mr. Hitesh Saitwal – Managing Director (upto 30 April 2015)
 Mr. Aitih Majumdar - Chief Financial Officer
 Mr. Rupesh Khokle - Company Secretary

Details of Remuneration paid and amount outstanding as at 31 March 2016 to above mentioned Key Managerial Personnel

Name of the person	Remuneration paid		Outstanding payables		Outstanding receivable	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Mr. Aniruddha Karve*	10,207,067	5,303,852	-	1,082,124	-	-
Mr. Hitesh Saitwal (Also refer note 37) **	2,241,825	1,835,120	404,450	425,677	7,300,563	-
Mr. Aitih Majumdar	978,521	844,541	29,258	132,600	-	-
Mr. Rupesh Khokle	-	-	-	-	-	-

* The remuneration to Mr. Aniruddha Karve is paid by Morgan Advanced Material India Private Limited (Group Company) for which the Company has got the approval of its shareholders in general meeting.

** Remuneration paid for the year ended 31 March 16 includes superannuation fund, gratuity and leave encashment aggregating Rs. 2,206,504 and is inclusive of Rs. 7,300,563 which is subject to approval of the Central Government and is shown as a receivable.

Morganite Crucible (India) Limited
Notes to the financial statements (Continued)
for the year ended 31 March 2016

(Currency: Indian Rupees)

36 Related party disclosures (Continued)

Related party transactions for the year ended 31 March 2016

Particulars	Fellow Subsidiaries															
	Ultimate Holding Company	Investing Associates		Subsidiary	Morganite Brasil LTDA	Grupo Industrial Morgan, S.A. de C., Pachuca	Morganite Carbon Kabushiki Kaisha, Osaka	Furnace Industries	Morganite Crucible Inc., USA	Morgan Mollen Metall System GMBH, Germany	Morgan Mollen Metal System Company Limited, China	Morgan Karbon Grafit Sanayi A.S.	Thermal Ceramics UK	Morgan Ceramics Asia Pte Ltd, Singapore	Murugappa Morgan Thermal Ceramics Limited	Morganite South Africa Pty Limited
Income	-	-	-	4,718,625	102,646	1,573,385	6,466,077	-	104,867,400	83,879,862	4,073,253	2,652,936	-	-	-	48,961,319
Sale of finished goods	-	-	-	472,332	-	-	-	-	-	1,391,405	1,475,510	-	-	-	-	-
Reimbursement of various expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure	-	-	-	14,027,920	-	-	902,140	-	-	837,093	575,614	-	128,876	-	-	-
Purchase of raw materials (including goods in transit)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchased of spares / consumables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Goods purchase	-	-	-	242,250	-	-	44,498	-	-	-	-	-	-	-	-	1,040,524
Management charges	52,973,843	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,710,969
Trademark charges	6,273,952	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of expenses	-	-	-	-	-	-	-	-	-	533,606	-	-	-	-	-	1,179,317
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	1,078,000	1,022,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding Balances as at 31 March 2016	-	-	-	471,771	-	-	1,364,971	-	5,883,053	25,283,682	1,557,768	1,026,757	-	259,748	-	3,663,771
Receivables	-	-	-	1,391,776	-	-	-	-	-	-	-	-	-	-	-	-
Payables	27,476,751	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200,407

Related party transactions for the year ended 31 March 2015

Particulars	Fellow Subsidiaries															
	Ultimate Holding Company	Investing Associates		Subsidiary	Morganite Brasil LTDA	Grupo Industrial Morgan, S.A. de C., Pachuca	Morganite Carbon Kabushiki Kaisha, Osaka	Furnace Industries	Morganite Crucible Inc., USA	Morgan Mollen Metall System GMBH, Germany	Morgan Mollen Metal System Company Limited, China	Morgan Karbon Grafit Sanayi A.S.	Thermal Ceramics UK	Morgan Ceramics Asia Pte Ltd, Singapore	Murugappa Morgan Thermal Ceramics Limited	Morganite South Africa Pty Limited
Income	-	-	-	4,307,571	-	-	-	-	99,941,324	90,886,075	2,713,259	1,883,893	-	-	-	55,512,545
Sale of finished goods	-	-	-	488,191	-	-	-	-	-	9,507,403	15,820,175	-	-	-	-	37,307
Reimbursement of various expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure	-	-	-	10,097,500	-	-	-	-	-	277,228	262,650	-	47,556	-	-	-
Purchase of raw materials (including goods in transit)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchased of spares / consumables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Goods purchase	-	-	-	48,000	-	-	-	-	-	-	-	-	-	-	-	372,500
Management charges	67,296,700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	675,000
Royalty	5,987,022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,860,000
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	1,078,000	1,022,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding Balances as at 31 March 2015	-	-	-	684,461	-	-	-	-	4,468,394	17,433,441	1,436,152	-	-	-	-	8,132,492
Receivables	-	-	-	1,747,173	-	-	-	-	-	-	-	-	-	-	-	-
Payables	49,808,827	-	-	-	-	-	-	-	-	-	-	-	-	-	-	376,267

for the year ended 31 March 2016

(Currency: Indian Rupees)

37 Managerial Remuneration

During the year Mr. Hitesh Saiwal resigned as Managing Director with effect from 30 April 2015. The Company has paid an additional remuneration of Rs. 7,214,160 to him, which has been approved by a special resolution in the General Meeting dated 22 September 2015. If the limits prescribed under section 197 read with Schedule V of the Act are pro-rated for one month, then the total remuneration paid to him of Rs. 10,207,067 (which includes superannuation fund, gratuity and leave encashment aggregating Rs. 2,206,504) is more than the pro rated permissible limit by Rs. 7,300,563. The Company has made an application to the Central Government for excess remuneration paid and pending approval has treated the excess remuneration paid as a recoverable.

38 Operating lease as lessee

The Company has entered into leases for cars for a period of 3 years. Total lease payments for non-cancellable leases recognized in the books for the year is Rs. 640,800 (2015 : Rs. 574,095)

Non-cancellable operating lease rentals payable (minimum lease payments) under the lease are as follows :

Particulars	31 March 2016	31 March 2015
Payable within one year	459,872	640,800
Payable between one and five year	-	459,872
Payable after five years	-	-

39 Earnings per share

Particulars	31 March 2016	31 March 2015
Net profit after tax attributable to equity shareholders	98,763,124	60,220,455
Weighted average number of shares outstanding during the year (Nos.)	2,800,000	2,800,000
Earnings Per Share		
- Basic	35.27	21.51
- Diluted	35.27	21.51
Nominal value of an equity share	10	10

40 Dues to Micro and Small Enterprises

Under Micro, Small, and Medium Enterprises Development Act, 2006 (MSMED) which came in to force from 2 October, 2006, certain disclosures are required to be made relating to micro and small enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, small and medium enterprises:

Particulars	31 March 2016	31 March 2015
the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
- Principal	2,889,340	2,668,781
- Interest	-	104,325
The amount of interest paid by the buyer as per the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006)	-	-
the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	7,120,165
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	104,325
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	159,619	159,619

On the basis of information and records available with the Company, the above disclosures are made in respect of amounts due to the micro, small and medium enterprises, who have registered with the relevant competent authorities. This has been relied upon by the auditors.

Notes to the financial statements (Continued)
for the year ended 31 March 2016

(Currency: Indian Rupees)

41 Unhedged foreign currency exposures

The Company has entered into derivative contracts to hedge its risk associated with foreign currency fluctuations. However, none of these contracts can be co-related on one to one basis against the underlying exposure. As at the year end, the Company has no outstanding foreign exchange forward contracts.

Particulars	Foreign Currency Denomination	Foreign Currency Amount	Amount (Rs.)
Assets (Trade Receivables)	EURO	580,574 (384,725)	42,799,909 (25,403,381)
	GBP	254,001 (258,304)	23,726,226 (23,464,346)
	USD	514,186 (460,919)	33,632,921 (28,424,866)
	EURO	16,400 (71,200)	1,251,976 (4,887,880)
Liabilities (Trade Payables)	GBP	- (22,375)	- (2,102,317)
	USD	45,744 (1,453)	3,075,369 (92,233)
	AUD	850 -	44,013 -
		-	-

42 Dividends remitted in foreign currency

	31 March 2016	31 March 2015
Dividend paid during the year	2,100,000	2,100,000
Number of non - resident shareholders	2	2
Number of equity shares held by such non resident - shareholders	2,100,000	2,100,000
Year to which the dividend relates	2014-15	2013-14

43 In accordance with AS-29 (Provisions, Contingent Liabilities and Contingent Assets), the movement in provision for warranty is as follows:

A provision is estimated for expected warranty claims in respect of products sold during the year on the basis of past experience regarding failure trends of products and costs of rectification or replacement. It is expected that most of this cost will be incurred over the next 12 months as per management estimate.

Particulars	31 March 2016	31 March 2015
At the commencement of the year	7,231,557	6,049,425
Provisions made during the year	7,380,000	8,400,247
Provision utilised during the year	5,641,779	7,218,115
At the end of the year	8,969,778	7,231,557

44 Corporate social responsibility

As per provisions of section 135 of Companies Act 2013, the Company was required to spend Rs. 2,556,520 (2015: Rs 2,791,425) being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy on the activities specified in Schedule VII of the Act. However, the Company has spent Rs. 434,205 (2015: Nil) towards Corporate Social Responsibility activities. The Company is in process of exploring various options specified in Schedule VII on which it could do its spending of CSR for the benefit of society.

- a) Gross amount required to be spent by the Company during the year - Rs. 2,556,520
 b) Amount spent during the year on :

		In cash	Yet to be paid in cash	Total
(i)	Construction / acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	434,205	-	434,205

45 Transfer Pricing

The Company has developed a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

During the financial year the company has applied for Advance Pricing Agreement (APA) before the Central Board of Direct Tax (CBDT) and Government of India (GOI) for International Inter-company related party transactions with associated Enterprises (AE). The APA is an arrangement between the taxpayer and the tax authority covering future transactions, with a view to avoid the potential transfer pricing disputes in a cooperative manner. Once APA agreement is completed, the company will have certainty with respect to tax outcome of international transactions, by agreeing in advance the arm's length pricing, or pricing methodology which is to be applied. Under APA specific rollback provisions enable to attain certainty in transfer prices of international transactions for up to 9 years (including 4 years rollback provisions) in total. The company has applied for Advanced Pricing Agreement (APA) in FY 2015-16, the period covered under rollback is from FY 2012-13 to FY 2015-16 and five year down the line i.e. from FY 2016-17 to 2020-21. Besides this the APA has a persuasive value on all open Transfer pricing litigations of past years.

The Domestic Transfer Pricing Regulations as prescribed under section 92BA of the Income Tax Act, 1961 was introduced from April 1, 2012. The Company has been consistently transacting with related parties on an Arm's Length basis in accordance with Group Transfer Pricing Policy. The Company is of the opinion that there will be no significant changes to Arm's length price under determination in order to comply with the requirement of section 92BA of Income Tax Act. Hence, there will no material impact on the financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W / W-100022

For and on behalf of the Board of Directors

of Morganite Crucible (India) Limited

CIN: L26920MH1986PLC038607

Vijay Mathur

Partner

Membership No : 046476

Place : Mumbai

Date : 30 May 2016

Aniruddha Karve

Managing Director

DIN : 07180005

Place : Aurangabad

Date : 30 May 2016

Subhash Kolapkar

Director

DIN : 06666368

Place : Aurangabad

Date : 30 May 2016

Atithi Majumdar

Chief Financial Officer

Place : Aurangabad

Date : 30 May 2016

Rupesh Khokle

Company Secretary

Place : Aurangabad

Date : 30 May 2016

Independent Auditors' Report

To the Members of Morganite Crucible (India) Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Morganite Crucible (India) Limited (hereinafter referred to as 'the Holding Company') and its subsidiary (together referred to as 'the Group'), comprising of the Consolidated Balance Sheet as at 31 March 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (together referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("hereinafter referred to as the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the

consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 34 to the consolidated financial statements, which more fully explains that during the year the Holding Company has paid managerial remuneration to Mr. Hitesh Saiwal- Managing Director amounting to Rs. 10,207,067 which is in excess of the limits specified in section 197 read with Schedule V of the Companies Act 2013 by Rs. 7,300,563. The Holding Company has made an application to the Central Government for excess remuneration paid and pending approval has treated the excess remuneration paid as a recoverable. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group

companies incorporated in India is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, based on the comments in the auditors' reports of the Holding Company and the subsidiary company incorporated in India, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 28 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No: 101248W/ W-100022

Place : Mumbai
Date : 30 May 2016

Vijay Mathur
Partner
Membership No: 046476

Annexure A to the Independent Auditors' Report on even date on the Consolidated Financial Statements

Referred to in paragraph 1 (f) in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of Morganite Crucible (India) Limited on the consolidated financial statements for the year ended 31 March 2016.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Morganite Crucible (India) Limited (hereinafter referred to as “the Holding Company”) and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Control Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Control Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No: 101248W/ W-100022

Place : Mumbai
Date : 30 May 2016

Vijay Mathur
Partner
Membership No: 046476

Consolidated Balance sheet
as at 31 March 2016

(Currency : Indian rupees)

	Notes	31-Mar-16	31-Mar-15
Equity and liabilities			
Shareholders' funds			
Share capital	3	28,000,000	28,000,000
Reserves and surplus	4	<u>703,738,533</u>	<u>617,341,773</u>
		731,738,533	645,341,773
Minority interest			
		68,395,923	64,288,128
Non-current liabilities			
Deferred tax liabilities (net)	5	3,569,387	4,172,835
Long term provisions	6	<u>8,204,248</u>	<u>1,489,724</u>
		11,773,635	5,662,559
Current liabilities			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	7	1,535,306	1,233,329
-total outstanding dues of creditors other than micro enterprises and small enterprises	7	<u>124,201,433</u>	<u>158,884,976</u>
Other current liabilities	8	60,493,575	27,060,076
Short-term provisions	9	<u>42,955,297</u>	<u>14,668,100</u>
		229,185,611	201,846,481
		<u>1,041,093,702</u>	<u>917,138,941</u>
Assets			
Non-current assets			
Fixed assets			
Tangible fixed assets	10	219,177,369	227,367,683
Intangible fixed assets	10	18,637,691	30,088,492
Capital work-in-progress	10	<u>26,620,813</u>	<u>13,826,466</u>
		264,435,873	271,282,641
Deferred tax asset (net)	11	13,410,054	-
Long-term loans and advances	12	39,996,331	95,568,346
Other non-current assets	13	<u>4,086,374</u>	<u>2,618,799</u>
		321,928,632	369,469,786
Current assets			
Inventories	14	167,489,020	170,017,176
Trade receivables	15	177,251,376	157,894,569
Cash and bank balances	16	285,995,387	150,166,122
Short-term loans and advances	17	84,750,820	61,395,501
Other current assets	18	<u>3,678,467</u>	<u>8,195,787</u>
		719,165,070	547,669,155
		<u>1,041,093,702</u>	<u>917,138,941</u>

Significant accounting policies

Notes to the consolidated financial statements

2

3-41

The notes referred to above form an integral part of the Consolidated Balance Sheet

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants

Firm's registration no: 101248W / W-100022

Vijay Mathur
Partner

Membership No : 046476

Place : Mumbai

Date : 30 May 2016

**For and on behalf of the Board of Directors of
Morganite Crucible (India) Limited**
Aniruddha Karve
Managing Director

DIN : 07180005

Place : Aurangabad

Date : 30 May 2016

Subhash Kolapkar
Director

DIN : 06666368

Place : Aurangabad

Date : 30 May 2016

Atithi Majumdar
Chief Financial Officer

Place : Aurangabad

Date : 30 May 2016

Rupesh Khokle
Company Secretary

Place : Aurangabad

Date : 30 May 2016

Consolidated Statement of Profit and Loss
as at 31 March 2016

(Currency : Indian rupees)

	Notes	31-Mar-16	31-Mar-15
Revenue from operations			
Sale of products (gross)	19	1,136,800,980	1,139,223,744
Less: Excise duty		52,749,344	51,703,401
Sale of products (net)		1,084,051,636	1,087,520,343
Other operating revenues	20	14,515,949	13,044,600
Total		1,098,567,585	1,100,564,943
Other income	21	27,992,330	7,977,277
Total revenue		1,126,559,915	1,108,542,220
Expenses			
Cost of materials consumed	22	388,817,360	436,467,028
Changes in inventories of finished goods and work in progress	23	3,662,163	1,994,452
Employee benefits expense	24	157,588,781	139,806,184
Finance costs	25	-	74,168
Depreciation and amortisation expense	26	83,071,810	89,555,651
Other expenses	27	309,757,535	329,498,095
		942,897,649	997,395,578
Profit before tax		183,662,266	111,146,642
Tax expense:			
Current tax		83,689,400	58,252,000
Deferred tax credit		(14,013,500)	(18,372,428)
Short provision of earlier years		10,001,717	13,524,947
Profit for the year before minority interest		103,984,649	57,742,123
Less: Minority interest for the year		4,107,793	136,145
Profit for the year		99,876,856	57,605,978
Earnings Per Share: (face value of Rs 10 per share)	36		
Basic (Rs.)		35.67	20.57
Diluted (Rs.)		35.67	20.57
Significant accounting policies	2		
Notes to the consolidated financial statements	3-41		

The notes referred to above form an integral part of the Consolidated Statement of Profit and Loss

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants

Firm's registration no: 101248W / W-100022

Vijay Mathur
Partner

Membership No : 046476

Place : Mumbai

Date : 30 May 2016

For and on behalf of the Board of Directors of
Morganite Crucible (India) Limited
Aniruddha Karve
Managing Director

DIN : 07180005

Place : Aurangabad

Date : 30 May 2016

Subhash Kolapkar
Director

DIN : 06666368

Place : Aurangabad

Date : 30 May 2016

Atithi Majumdar
Chief Financial Officer

Place : Aurangabad

Date : 30 May 2016

Rupesh Khokle
Company Secretary

Place : Aurangabad

Date : 30 May 2016

Consolidated Cash Flow Statement
as at 31 March 2016

(Currency : Indian rupees)

	31-Mar-16	31-Mar-15	
A Cash flow from operating activities			
Profit before tax	183,662,266	111,146,642	
Adjustments for:			
Depreciation and amortisation expense	83,071,810	89,555,651	
Loss on sale / write off of fixed assets - net	277,835	1,722,381	
Interest income	(5,816,305)	(5,488,008)	
Finance costs	-	74,168	
Unrealised foreign exchange loss	1,221,085	4,514,036	
Operating profit before working capital changes	262,416,691	201,524,870	
Changes in working capital			
Decrease in inventories	2,528,156	12,516,028	
(Increase)/decrease in trade receivables	(19,356,807)	9,736,799	
Increase in short-term loans & advances	(23,355,319)	(202,592)	
Decrease/(increase) in long-term loans & advances	47,096,625	(13,110,367)	
Decrease/(increase) in other current assets	4,144,126	(865,051)	
Increase / (decrease) in other current liabilities	14,626,059	(948,990)	
Decrease in trade payable	(34,381,566)	(113,118,663)	
(Decrease)/ increase in long term provision	(94,954)	301,467	
Increase in short term provision	2,386,870	3,081,797	
Net changes in working capital	(6,406,810)	(102,609,572)	
Cash generated from operations	256,009,881	98,915,298	
Income taxes paid	(63,142,059)	(70,103,755)	
Net cash flows from operating activities (A)	192,867,822	28,811,543	
B Cash flow from investing activities			
Purchase of fixed assets, including expenditure on capital work in progress	(57,564,275)	(53,030,816)	
Movement in fixed deposits (net)	(112,704,101)	44,610,080	
Proceeds from sale of fixed assets	307,534	704,270	
Proceeds from sale of investment	-	-	
Interest received	5,956,874	6,075,180	
Net cash used in investing activities (B)	(164,003,968)	(1,641,286)	
C Cash flow from financing activities			
Finance costs	-	(74,168)	
Repayment of external commercial borrowings	-	-	
Dividend paid (inclusive of corporate dividend tax thereon)	(3,370,024)	(3,275,860)	
Net cash used in financing activities (C)	(3,370,024)	(3,350,028)	
Net increase in cash and cash equivalents (A+B+C)	25,493,830	23,820,229	
Effect of exchange differences on cash and cash equivalents held in foreign currency	(1,221,085)	(4,514,036)	
Cash and cash equivalents at the beginning of the year	135,172,205	115,866,012	
Cash and cash equivalents at the end of the year (refer schedule 16)	159,444,950	135,172,205	
Components of cash and cash equivalents	31-Mar-16	31-Mar-15	31-Mar-14
Cash and cash equivalents comprises of:			
Cash on hand	28,712	30,031	73,121
Cheques on hand	-	-	578,857
Bank balances			
- In current accounts	127,355,529	72,057,087	91,888,368
- Fixed deposits (upto three months maturity from deposit date)	-	-	-
- Export Earnings Foreign Currency account (EEFC)	32,060,709	63,085,087	23,325,666
Total	159,444,950	135,172,205	115,866,012

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants

Firm's registration no: 101248W / W-100022

Vijay Mathur
Partner

Membership No : 046476

Place : Mumbai

Date : 30 May 2016

**For and on behalf of the Board of Directors of
Morganite Crucible (India) Limited**
Aniruddha Karve
Managing Director

DIN : 07180005

Place : Aurangabad

Date : 30 May 2016

Subhash Kolapkar
Director

DIN : 06666368

Place : Aurangabad

Date : 30 May 2016

Atithi Majumdar
Chief Financial Officer

Place : Aurangabad

Date : 30 May 2016

Rupesh Khokle
Company Secretary

Place : Aurangabad

Date : 30 May 2016

1. Background

Morganite Crucible (India) Limited ('the Company' or 'the Parent Company') was incorporated on 13 January 1986 under the Companies Act, 1956 and its shares are listed on the Bombay Stock Exchange (BSE). The Group is engaged in the business of manufacturing and selling of silicon carbide and clay graphite crucibles and its accessories.

The subsidiary considered in the consolidated financial statements is :

Name of the Company	Country of incorporation	% of holding
Diamond Crucible Company Limited	India	51 %

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

2.1 Basis of preparation of financial statements

The consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under historical cost convention on accrual basis. The Company has prepared these financial statements to comply in all material respects with the applicable accounting standards specified under section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules 2014.

2.2 Basis of consolidation

The consolidated financial statements are prepared in accordance with the principles and procedures prescribed by AS 21-'Consolidated Financial Statements', prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards which continue to apply under section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules 2014.

The financial statements of the Parent Company and the subsidiary have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances/ transactions and resulting unrealised profits in full. Unrealised losses resulting from intra group transactions have also been eliminated unless cost cannot be recovered. Minority interest's share of profits or losses of the subsidiary is adjusted against income of the Group to arrive at the net income attributable to the owners of the parent company. Minority interest's share in the net assets of the subsidiary is disclosed separately in the Balance Sheet.

The consolidated financial statements are prepared using uniform accounting policies for transactions and other similar events in similar circumstances across the Group.

2.3 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements.

The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the

accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.4 Current–non-current classification

All assets and liabilities are classified into current and non-current

Assets

An asset is classified as current when it satisfies any of the following criteria :

- (a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as a period within 12 months for the purpose of current – non-current classification of assets and liabilities.

2.5 Revenue recognition

Revenue is recognised when the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods. Sales are accounted net of value added tax and trade and volume discounts, if any.

Interest income is recognized using the time proportion method, based on the underlying interest rates.

Dividend income is recognized when the right to receive dividend is established.

Export entitlements are recognized in the statement of profit and loss in the year of exports provided that there is no significant uncertainty regarding the entitlement to the credit and the amount thereof and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

2.6 Fixed assets and depreciation/amortisation

(a) (i) Tangible fixed assets

Tangible assets are carried at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes inward freight, duties, taxes (to the extent not recoverable from tax authorities) and expenses incidental to acquisition and installation of the fixed assets up to the time the assets are ready for intended use. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the Balance Sheet date.

(ii) Depreciation on tangible fixed assets

Leasehold land is amortised on a straight line basis over the primary period of lease, i.e. 99 years.

In respect of other assets, depreciation is provided on straight line method based on useful life prescribed in Schedule II to the Companies Act 2013 as given below :

Gross block	Sub-asset	Useful lives (years)
Building	Office building	60 years
	Factory building	30 years
Plant and equipments	Plant and machinery	15 years
	Relining of Kiln*	6 years
	Computers	3 years
Vehicles	Vehicles	8 years
Office equipment	Office equipment	5 years
Furniture and fixtures	Furniture and fixtures	10 years

*For these class of assets, based on internal technical assessment, the useful lives as given above are believed to best represent the period over which the assets are expected to be used. Hence, the useful life of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

(b) Intangible fixed assets

Intangible assets comprising of Non-competition agreement, Distribution Rights and Software cost are carried at cost of acquisition less accumulated amortisation and impairment loss, if any. Non-competition agreement is amortised over its contractual period of 5 years. Distribution Rights are amortised on a straight line basis over a period of ten years and Software cost is amortised on a straight line basis over a period of 5 years, which in management's opinion represents the period during which economic benefits will be derived from their use.

2.7 Goodwill on consolidation

The excess of cost to the Parent Company of its investment in the subsidiary over its portion of equity of the subsidiary, as at the date on which the investment was made, is recognized as goodwill in the consolidated financial statements. The Parent Company's portion of equity in the subsidiary is determined on the basis of the book value of assets and liabilities as per the consolidated financial statements of the subsidiary as on the date of investment. Goodwill on consolidation is amortised on a straight line basis over a period of 15 years.

2.8 Impairment of assets

In accordance with AS 28 on 'Impairment of assets', the Company assesses at each Balance Sheet date whether there

is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. Value in use is the present value of the estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. In assessing the value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

2.9 Investments

Long term investments are stated at cost. Provision for diminution in value is made only when in the opinion of the management there is a decline other than temporary in the carrying value of such investments. Current investments are valued at lower of cost and fair value.

2.10 Employee benefits

(a) Short term employee benefits :

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. These benefits include salary, wages and bonus, compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period of rendering of service by the employee.

(b) Long term employee benefits :

(i) Defined contribution plans

The Company has defined contribution plans for post-employment benefits namely Provident Fund and Superannuation Scheme which are recognised by the income tax authorities.

The Company contributes to a Government administered provident fund and superannuation fund on behalf of its employees and has no further obligation beyond making its contribution.

The Company makes contributions to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995 and has no further obligation beyond making the payment to them.

The Company's contributions to the above funds are charged to the Statement of Profit and Loss every year.

(ii) Defined benefit plans

Post-employment benefits :

The Company's gratuity scheme with Life Insurance Corporation of India is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the

amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The present value of the obligation under such defined benefit plan is determined based on independent actuarial valuation at the Balance Sheet date using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the Balance Sheet date. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

Other long-term employment benefits :

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the Balance Sheet date. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the Balance Sheet date.

2.11 Borrowing costs

Borrowing costs that are attributable to acquisition, construction or production of qualifying assets are capitalised as part of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

2.12 Inventories

Inventories which comprises of raw materials, work-in-progress, finished goods, stores and spares are valued at lower of cost and net realisable value. Cost is determined under the moving average price method and includes all costs incurred in bringing the inventories to their present location and condition. Finished goods and Work-in progress include appropriate proportion of costs of conversion. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Valuation of work-in-progress is based on stage of completion. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the dates of the transactions. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit and Loss of that year. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the closing exchange rates. The resultant exchange differences are recognized in the Statement of Profit and Loss.

Forward exchange contracts relating to firm commitments or highly probable forecast transactions are marked to market and the resultant net exchange loss is recorded in accordance with the concept of prudence.

2.14 Operating leases

Lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating leases. Lease payments under operating lease are recognised as an expense in the Statement of Profit and Loss on a straight line basis.

2.15 Taxes on Income

Income-tax

Income tax expense comprises current tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions, in accordance with the Income tax Act, 1961.

Deferred tax

Deferred tax charge or credit and the corresponding deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income taxes and profits/ losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

2.16 Earnings per share ('EPS')

Basic EPS is computed by dividing the net profit attributable to shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year-end, except where the results would be anti dilutive.

2.17 Provisions and contingencies

Provision is recognised in the Balance Sheet when the Company has a present obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and reliable estimation can be made of the amount required to settle the obligation. Contingent liabilities arising from claims, litigation, assessment, fines, penalties etc. are disclosed when there is a possible obligation or a present obligation as a result of a past event where it is not probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reasonably estimated. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosures is made.

2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

as at 31 March 2016

(Currency : Indian rupees)

	31-Mar-16	31-Mar-15
3 Share capital		
Authorised capital :		
5,000,000 (2015 : 5,000,000) equity shares of Rs. 10 each	<u>50,000,000</u>	<u>50,000,000</u>
Issued		
2,800,000 (2015: 2,800,000) equity shares of Rs 10 each, fully paid-up	<u>28,000,000</u>	<u>28,000,000</u>
Subscribed and paid-up		
2,800,000 (2015: 2,800,000) equity shares of Rs 10 each, fully paid-up	<u>28,000,000</u>	<u>28,000,000</u>

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by holding company and subsidiaries of the ultimate holding company

	31-Mar-16		31-Mar-15	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Shares of the Company held by -				
Morganite Crucible Limited, subsidiary of the ultimate holding company.	1,078,000	38.50%	1,078,000	38.50%
Morgan Terreassen BV, subsidiary of the ultimate holding company.	1,022,000	36.50%	1,022,000	36.50%

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

The only shareholders holding more than 5 percent shares as on the date of the Balance Sheet are Morganite Crucible Limited and Morgan Terreassen BV (as disclosed above), both of which are subsidiaries of the ultimate holding company, The Morgan Advanced Materials Plc.

4 Reserves and surplus

Capital reserve

At the commencement and at the end of the year		
Central government investment subsidy under '1993 package scheme of incentives'	1,500,000	1,500,000
State government investment subsidy under '1983 package scheme of incentives'	500,000	500,000

Securities premium account

At the commencement and at the end of the year	35,000,000	35,000,000
--	------------	------------

Forfeited shares

At the commencement and at the end of the year		
Capital profit on re-issue of forfeited shares	4,000	4,000

Investment allowance reserve under the Income tax Act, 1961

At the commencement and at the end of the year	405,000	405,000
--	---------	---------

General reserve

At the commencement and at the end of the year	48,583,000	48,583,000
--	------------	------------

Surplus in the Consolidated Statement of Profit and Loss

At the commencement of the year	531,349,773	478,693,825
Less : Adjustment on account of revised useful life of fixed assets	-	(1,580,006)
Add: Profit after tax for the year	99,876,856	57,605,978
Amount available for appropriation	<u>631,226,629</u>	<u>534,719,797</u>
Less : Appropriations		
Proposed equity dividend	(11,200,000)	(2,800,000)
Corporate dividend tax	<u>(2,280,096)</u>	<u>(570,024)</u>
	<u>617,746,533</u>	<u>531,349,773</u>

Total reserves and surplus

	<u>703,738,533</u>	<u>617,341,773</u>
--	--------------------	--------------------

(Currency : Indian rupees)

	31-Mar-16	31-Mar-15
5 Deferred tax liabilities (net)		
<i>Deferred tax liabilities</i>		
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/amortisation provided in accounts	6,777,723	7,541,901
<i>Deferred tax assets</i>		
Arising out of timing differences in		
Provision for doubtful debts	(1,845,878)	(1,725,119)
Provision for doubtful advances	(337,242)	(315,180)
Provision for employee benefits	(297,328)	(758,494)
Disallowances under the Income Tax Act, 1961	(727,888)	(570,273)
Net deferred tax liabilities	3,569,387	4,172,835
6 Long term provisions		
Provision for employee benefits:		
Compensated absences	1,394,770	1,489,724
Others		
Income tax (<i>net of advance taxes paid</i>)	6,809,478	-
	8,204,248	1,489,724
7 Trade payables		
- total outstanding dues of micro enterprises and small enterprises (<i>refer note 37</i>)	1,535,306	1,233,329
- total outstanding dues of creditors other than micro enterprises and small enterprises	124,201,433	158,844,976
	125,736,739	160,118,305
8 Other current liabilities		
Unclaimed dividend (<i>refer note below</i>)	154,087	66,718
Advances received from customers	4,989,663	1,843,621
Deposits	276,658	356,000
Employee benefits payable	15,889,448	11,324,517
Statutory dues to:		
Provident and other funds	1,112,649	1,013,654
Others:		
Customs duty	611,634	586,289
Professional tax	10,530	39,330
Excise duty on closing stock of finished goods	4,773,856	5,006,945
Tax deducted at source	4,022,913	507,567
Sales tax	466,335	57,448
Service tax	3,216,836	9,092
Creditors for capital goods	24,968,966	6,248,895
	60,493,575	27,060,076
Note - There are no amounts due to the Investor Education and Protection Fund.		
9 Short-term provisions		
Provision for employee benefits:		
Compensated absences	3,463,671	2,815,022
Other provisions		
Warranties (<i>refer note 39</i>)	8,969,778	7,231,557
Proposed dividend	11,200,000	2,800,000
Dividend distribution tax	2,280,096	570,024
Income tax (<i>net of advance taxes paid</i>)	17,041,752	1,251,497
	42,955,297	14,668,100

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2016

(Currency : Indian rupees)

10 Fixed assets

	Tangible Assets						Intangible Assets				Total Fixed Assets			
	Land - Leasehold	Building	Plant and equipments	Computers	Vehicles	Office equipments and fixtures	Furniture and fixtures	Total tangible assets	Goodwill on consolidation	Software	Non-competition agreement	Distribution Rights	Technical know-how	Total Intangible assets
Grass Block														
Balance as at 1 April 2014	1,919,450	74,464,029	464,976,749	8,722,092	1,648,993	4,321,377	8,013,745	564,066,435	41,342,683	18,829,627	2,924,924	48,720,587	1,500,000	113,317,821
Additions during the year	-	5,654,606	31,750,768	621,338	48,644	1,373,727	1,603,468	41,052,551	-	311,000	-	-	-	311,000
Adjustments during the year	-	-	2,817,374	-	-	3,920	(2,821,294)	-	-	-	-	-	-	-
Deletions during the year	-	1,820,827	2,656,627	35,000	-	-	4,360	4,516,814	-	-	-	-	-	-
Balance as at 31 March 2015	1,919,450	78,297,808	496,886,264	9,308,430	1,697,637	5,699,024	6,791,559	600,602,172	41,342,683	19,140,627	2,924,924	48,720,587	1,500,000	113,628,821
Additions during the year	-	5,490,232	52,192,656	2,071,553	-	639,060	3,622,563	64,016,064	-	-	-	-	-	64,016,064
Deletions during the year	-	-	4,042,441	54,684	-	-	25,152	4,122,277	-	-	-	-	-	4,122,277
Balance as at 31 March 2016	1,919,450	83,788,040	545,038,479	11,325,299	1,697,637	6,338,084	10,388,970	660,495,959	41,342,683	19,140,627	2,924,924	48,720,587	1,500,000	774,124,780
Depreciation														
Balance as at 1 April 2014	568,275	25,868,842	258,726,118	4,809,984	595,704	520,961	3,728,244	294,818,128	22,049,428	6,643,089	2,924,924	38,982,032	1,500,000	72,099,473
Depreciation for the year	19,403	3,274,884	70,506,672	2,451,333	245,588	1,031,270	585,645	78,114,795	2,756,179	3,812,618	-	4,872,059	-	11,440,856
Adjustment - Charge against opening reserves	-	-	1,767,963	22,413	-	412,795	188,538	2,391,729	-	-	-	-	-	2,391,729
Accumulated depreciation on disposals	-	665,952	1,384,851	35,000	-	-	4,360	2,090,163	-	-	-	-	-	2,090,163
Adjustments of earlier years	-	-	881,774	-	-	129,296	(1,011,070)	-	-	-	-	-	-	-
Balance as at 31 March 2015	587,678	28,477,774	330,497,676	7,248,730	841,292	2,094,532	3,487,017	373,234,489	24,805,607	10,455,707	2,924,924	43,854,091	1,500,000	83,540,329
Depreciation for the year	19,403	3,721,266	64,026,523	1,568,276	251,276	1,202,119	832,146	71,621,009	2,756,179	3,828,126	-	4,866,496	-	11,450,801
Accumulated depreciation on disposals	-	-	3,457,072	54,684	-	-	25,152	3,536,908	-	-	-	-	-	3,536,908
Balance as at 31 March 2016	607,081	32,199,040	391,067,127	8,762,322	1,092,568	3,296,441	4,294,011	441,318,590	27,561,786	14,283,833	2,924,924	48,720,587	1,500,000	536,309,720
Net Block														
As at 31 March 2015	1,331,772	49,820,034	166,390,588	2,059,700	856,345	3,604,702	3,304,542	227,367,683	16,537,076	8,684,920	-	4,866,496	-	30,088,492
As at 31 March 2016	1,312,369	51,889,000	153,971,352	2,562,977	605,069	3,041,643	6,094,959	219,177,469	13,789,897	4,856,794	-	-	-	237,815,060
Capital work-in-progress														
Balance as at 1 April 2014	-	-	1,361,775	-	-	-	-	1,361,775	-	-	-	-	-	1,361,775
Additions	-	-	12,586,491	-	-	-	-	12,586,491	-	-	-	-	-	12,586,491
Assets capitalised during the year	-	-	121,800	-	-	-	-	121,800	-	-	-	-	-	121,800
Balance as at 31 March 2015	-	-	13,826,466	-	-	-	-	13,826,466	-	-	-	-	-	13,826,466
Additions	-	-	26,620,813	-	-	-	-	26,620,813	-	-	-	-	-	26,620,813
Assets capitalised during the year	-	-	13,826,466	-	-	-	-	13,826,466	-	-	-	-	-	13,826,466
Balance as at 31 March 2016	-	-	26,620,813	-	-	-	-	26,620,813	-	-	-	-	-	26,620,813

(Currency : Indian rupees)

	31-Mar-16	31-Mar-15
11 Deferred tax assets (net)		
Deferred tax Assets		
Excess of depreciation/ amortisation on fixed assets provided in accounts over depreciation/amortisation under income-tax law	9,113,605	-
Provision for employee benefits	1,156,504	-
Provision for doubtful advances	2,526,579	-
Provision for doubtful debts	613,367	-
Net deferred tax Assets	13,410,054	-
12 Long-term loans and advances (Unsecured, considered good)		
Capital advances	429,696	955,761
Security deposits	2,424,525	2,889,676
Value added tax receivable	22,338,758	26,396,391
Gratuity Fund with Life Insurance Corporation of India (refer note 31)	242,841	-
Cenvat credit receivable	-	42,816,682
Advance taxes paid (net of provision)	14,560,511	22,509,836
	39,996,331	95,568,346
13 Other non-current assets (Unsecured, considered good)		
Bank deposits (due to mature after twelve months from the reporting date)	3,737,010	2,502,060
Interest accrued on deposits with banks	349,364	116,739
	4,086,374	2,618,799
*Includes fixed deposits aggregating Rs. 3,737,010 (2015 : Rs. 2,502,060) which are under lien with bank towards guarantees issued by the bank on behalf of the Company.		
14 Inventories (At lower of cost and net realisable value - also refer note 2.12)		
Raw materials and packing materials (refer note 30) [Including goods-in-transit Rs. 17,363,262 (2015 : Rs.13,653,787)]	80,501,554	79,555,142
Work-in-progress (refer note 23)	44,412,082	41,451,572
Finished goods (refer note 23) [Including goods-in-transit Rs.3,494,070 (2015 : Rs.9,896,952)]	33,859,500	40,482,173
Stores and spares	8,715,884	8,528,289
	167,489,020	170,017,176
15 Trade receivables (Unsecured, considered good unless otherwise stated)		
Receivables outstanding for a period exceeding six months from the date they are due for payment		
Considered good	547,128	9,168,335
Considered doubtful	7,355,237	5,582,911
	7,902,365	14,751,246
Less: Provision for doubtful debts	(7,355,237)	(5,582,911)
	(A) 547,128	9,168,335
Other receivable		
Considered good	(B) 176,704,248	148,726,234
	(A) + (B) 177,251,376	157,894,569

(Currency : Indian rupees)

	31-Mar-16	31-Mar-15
16 Cash and bank balances		
Cash and cash equivalents		
- Cash on hand	28,712	30,031
Balances with banks		
- In current accounts	127,355,529	72,057,087
- Export Earner's Foreign Currency account (EEFC)	32,060,709	63,085,087
	<u>159,444,950</u>	<u>135,172,205</u>
Other bank balances		
- Unpaid dividend accounts	154,087	66,718
- Fixed deposits with maturity more than three months from deposit date but less than twelve months from the Balance Sheet date.	126,396,350	14,927,199
	<u>285,995,387</u>	<u>150,166,122</u>
Details of bank balances / deposits		
Bank balances available on demand/deposits with original maturity of three months or less included under 'Cash and cash equivalents	159,416,238	135,142,174
Bank deposits due to mature within twelve months of reporting date included under 'Other bank balances'	126,550,437	14,993,917
Bank deposits due to mature after twelve months of the reporting date included under 'Other non-current assets' (refer note 13)	3,737,010	2,502,060
	<u>289,703,685</u>	<u>152,638,151</u>
17 Short-term loans and advances		
<i>(Unsecured, considered good unless otherwise stated)</i>		
To parties other than related parties		
Advance to suppliers		
Considered good	10,472,341	9,489,031
Considered doubtful	1,020,000	1,020,000
Less: Provision for doubtful advances	(1,020,000)	(1,020,000)
Prepaid expenses	2,892,809	5,107,751
Value added tax receivable	6,226,626	9,992,590
Cenvat credit receivable	63,501,724	34,382,776
Gratuity fund with Life Insurance Corporation of India (refer note 31)	1,266,439	2,007,198
Loans to employees	390,881	416,155
To related parties		
Recoverable from related party (refer note 34)		
Considered good	-	-
Considered doubtful	7,300,563	-
	<u>7,300,563</u>	<u>-</u>
Less: Provision for doubtful advances	(7,300,563)	-
	<u>-</u>	<u>-</u>
	<u>84,750,820</u>	<u>61,395,501</u>
18 Other current assets		
Interest accrued on :		
- deposits with banks	574,396	496,375
- VAT refund	747,195	1,198,410
Duty drawback receivable	2,132,602	6,381,195
Insurance claim receivable	224,274	119,807
	<u>3,678,467</u>	<u>8,195,787</u>

(Currency : Indian rupees)

	31-Mar-16	31-Mar-15
19 Revenue from operations		
Sale of products (gross)	1,136,800,980	1,139,223,744
Less: Excise duty	52,749,344	51,703,401
Sale of products (net)	<u>1,084,051,636</u>	<u>1,087,520,343</u>
Break-up of revenue from sale of products		
Crucibles	1,121,544,726	1,079,852,779
Die-Lube	-	5,969,861
	<u>1,121,544,726</u>	<u>1,085,822,640</u>
20 Other operating revenues		
Sale of scrap	1,654,649	1,430,622
Duty drawback on exports	12,861,300	11,613,978
	<u>14,515,949</u>	<u>13,044,600</u>
21 Other income		
Interest income on:		
Deposits with banks	5,816,305	5,375,799
VAT Refund	1,470,843	-
Delayed payment by customers	976,291	112,209
Net gain on account of foreign exchange fluctuations	15,029,802	234,306
Miscellaneous income	4,699,089	2,254,963
	<u>27,992,330</u>	<u>7,977,277</u>
22 Cost of materials consumed		
Inventory of materials at the beginning of the year	79,555,142	85,776,207
Purchases	390,169,321	430,245,963
Inventory of materials at the end of the year (also refer note 30)	80,907,103	79,555,142
	<u>388,817,360</u>	<u>436,467,028</u>
23 Changes in inventory of finished goods and work in progress		
Inventory at the end of the year		
Finished goods - Crucibles	33,859,500	40,482,173
Work in progress - Crucibles	44,412,082	41,451,572
Inventory at the beginning of the year		
Finished goods - Crucibles	40,482,173	41,543,425
Work in progress - Crucibles	41,451,572	42,384,772
	<u>3,662,163</u>	<u>1,994,452</u>
24 Employee benefits expense		
Salaries, wages and bonus	139,254,323	121,783,574
Contribution to provident and other funds (refer note 31)	6,910,336	6,811,925
Gratuity (refer note 31)	1,629,865	4,738,009
Staff welfare expenses	9,794,257	6,472,676
	<u>157,588,781</u>	<u>139,806,184</u>
25 Finance costs		
Interest expense on VAT assessments	-	74,168
	<u>-</u>	<u>74,168</u>

(Currency : Indian rupees)

31-Mar-16 31-Mar-15

26 Depreciation and amortization

Depreciation of tangible fixed assets	71,621,009	78,114,795
Amortization of intangible fixed assets	11,450,801	11,440,856
	83,071,810	89,555,651

27 Other expenses

Consumption of stores and spares	14,452,500	14,227,672
Decrease in excise duty on inventory of finished goods	(553,284)	(210,040)
Power and fuel	68,313,710	94,775,847
Repairs to buildings	5,195,478	1,067,315
Repairs to machinery	20,024,988	16,483,101
Repairs others	4,734,403	2,694,417
Rent	3,630,337	4,380,494
Rates and taxes	7,606,014	1,389,699
Travelling and motor car expenses	12,047,617	10,721,309
Legal and professional fees	13,108,337	5,286,387
Insurance	3,007,801	1,816,131
Payment to auditor (<i>refer note 29</i>)	2,635,009	2,598,408
Sales commission	5,222,125	6,876,133
Transportation	1,245,445	1,142,550
Directors' sitting fees	240,000	140,000
Net loss on account of foreign exchange fluctuations	33,551	10,379,436
Trade Mark Charges	8,440,762	7,963,449
Management charges (<i>includes prior period expense of Rs. 1,370,183 (2015 : Rs. 6,980,000)</i>)	67,292,265	86,531,876
No claim compensation	1,387,086	2,197,196
Business development and promotional expenses	9,372,883	12,435,441
SAP training & maintenance expenses	11,931,768	7,179,868
Loss on sale / retirement of fixed assets	277,835	1,722,381
Freight outward	15,473,806	14,752,820
Bank charges	1,238,163	1,454,820
Watch and ward	4,239,651	3,900,845
Provision for doubtful receivables	1,772,326	-
Provision for doubtful advances	7,300,563	-
Corporate Social Responsibility expenses	434,205	-
Miscellaneous expenses	19,652,191	17,590,540
	309,757,535	329,498,095

(Currency : Indian rupees)

	31-Mar-16	31-Mar-15
28 Contingent liabilities and commitments		
Contingent Liabilities:		
a. Claims by employees towards unfair labour practices under Section 28 read with items 1(a), (b), (c), 2 (b), 3, 4(a), (e) and (f) of Schedule II and items 5, 6, 9 and 10 of Schedule IV of the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971 for which amounts are not ascertainable.	-	-
b. Disputed employees' state insurance demand against which the Group has preferred appeals.	52,498	52,498
c. Demand for excise duty liability* raised by tax authorities for the payment of excise duty on sales tax discount availed by the Company on pre-mature payment of sales tax during the period 2005-06 to 2009-10 under sales tax discount scheme. Department contends that the amount of discount received should be included in the transaction value for calculation of excise duty. The Company has filed an appeal to the Commissioner of Central Excise and Service Tax *(excluding interest and penalty)	1,896,472	1,896,472
d. Dispute raised by tax authorities for disallowance of certain expenses for FY 2011-12 u/s 92CA (3) of Income Tax Act 1961. The Company has filed an appeal before Dispute Resolution Panel (DRP) for the same.*(excluding interest and penalty)	15,342,967	-
e. Claims against the Subsidiary company in respect of Income tax, not acknowledge as debt	719,870	-
f. Liabilities in respect of employee related matters	3,651,007	
g. A suit has been filed by Mr. N. K. Oza, past employee of the Holding Company, on account of his suspension from the Company in 1984 for negligence in duties. The Honorable Gujarat High Court has ordered to pay Rs 540 per month till the final disposal of appeal pending for reinstatement with back wages. The Company is presently paying the above mentioned Rs 540 per month to the said employee. The Company has made provision of Rs. 600,000 till date (2015 : Rs. 4,00,000) towards compensation to be payable in case the Hon'ble Court gives order against the company. The outflow on account of this would be determined on settlement of dispute.		
h. The Subsidiary Company is one of the respondent in a suit filed by petitioners Dhaniben Manabhai, Divyakant Manilal Parmar Vinodbhai Ganeshbhai Dabhi and Bhariyani Sunilkumar Sudhirkumar who got injured due to Company's car accident that happened in the month of August 2014. The Subsidiary Company has taken third party insurance for providing indemnification in such incidences. As the suit is on trial and admission stage, the liability on the Subsidiary Company may not be ascertained as at 31 March 2015. Further during the year, the insurance company has settled the case and there do not exist any liability as at 31 March 2016 against the Subsidiary company.		
Notes:		
i) It is not practicable for the Company to estimate the timings of cash outflow, if any, in respect of the above pending resolutions of the respective proceedings.		
ii) The Company does not expect any reimbursement in respect of the above contingent liabilities.		
Commitments:		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for	1,558,891	2,275,396

(Currency : Indian rupees)

	31-Mar-16	31-Mar-15
29 Payment to auditors (excluding service tax)		
Particulars		
As auditor		
Statutory audit	1,487,000	1,275,000
Tax audit	106,000	100,000
Limited review of quarterly results	636,000	600,000
Certification fees	53,000	50,000
In other capacity		
Audit of group reporting package	113,000	300,000
Transfer pricing services	75,000	75,000
Reimbursement of expenses	165,009	198,408
	2,635,009	2,598,408
30 Break up of cost of materials consumed**		
Particulars		
Silicon carbide	94,280,574	106,556,981
Graphite	112,279,263	134,172,750
Resin	27,745,656	37,192,617
Packing material	28,357,634	37,770,903
Ferro Silicon	39,724,477	40,939,284
Others	86,429,756	79,834,492
	388,817,360	436,467,027

** The consumption includes adjustments for raw materials write-off, shortage / excess, slow moving provision etc.

Break up of inventory of raw materials and packing materials
Particulars

Silicon carbide	6,125,380	5,346,071
Graphite	24,557,507	27,837,444
Ferro Silicon	11,154,648	10,086,247
Resin	2,143,267	2,340,169
Packing material	3,112,577	2,287,069
Others	33,408,175	31,658,142
	80,501,554	79,555,142

31 Employee benefits – Post employment benefit plans

Effective 1 January 2007, the Company adopted Accounting Standard 15 (revised 2005) on “Employee Benefits”.

Defined contributions plans

The Company makes contributions, determined as specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Superannuation Scheme, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount as an expense towards contribution to Provident Fund and Superannuation Scheme for the year aggregated to Rs. 6,910,336 (2015 : Rs. 6,811,925).

(Currency : Indian rupees)

Defined benefit plans

Gratuity

The Company operates post employment defined benefit plans that provide gratuity benefit. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service at the time of retirement / exit. The scheme is funded by plan assets.

Classification into current / non-current

The asset in respect of the gratuity plan comprises of the following non-current and current portions

Particulars	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Gratuity	242,841	-	1,266,439	2,007,200
Total	242,841	-	1,266,439	2,007,200

The following are the principal actuarial assumptions for leave encashment and gratuity at the reporting date (expressed as weighted averages):

Particulars	31-Mar-16		31-Mar-15	
	Morganite	Diamond	Morganite	Diamond
Discount rate (per annum)	8.08%	7.90%	7.96%	7.80%
Rate of increase in compensation levels	7.00%	6.50%	7.00%	6.50%
Rate of return on plan assets	8.08%	7.90%	8.70%	9.15%
Attrition rate	2.00%	7.00%	2.00%	7.00%

- Gratuity is payable to all eligible employees of the Company on superannuation, death, and permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972.
- The discount rate is based on the prevailing market yields Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- The Company's gratuity fund is managed by Life Insurance Corporation of India. The plan assets under the fund are invested under approved securities.
- The Plan Assets are administered by Life Insurance Corporation of India ("LIC") as per Investment Pattern stipulated for Pension and Group Schemes Fund by Insurance and Regulatory Development Authority regulations.

A. Movement in present values of defined benefit obligations

	31-Mar-16	31-Mar-15
Present value of obligation at the beginning of the year	22,296,055	16,689,765
Interest Cost	1,753,598	1,525,268
Current Service Cost	1,691,554	1,306,862
Benefits paid	(2,127,705)	(1,027,202)
Liability transferred in acquisition	153,000	-
Actuarial loss on obligations	138,214	3,801,361
Present value of obligation as at year end	23,904,716	22,296,054

(Currency : Indian rupees)

	31-Mar-16	31-Mar-15			
B. Movement in fair value of plan assets					
Fair value of plan assets at the beginning of the year	24,303,254	23,383,722			
Expenses deducted from the fund	(59,246)	(57,526)			
Expected return on plan assets	2,019,553	2,114,093			
Actuarial loss on plan assets	(66,052)	(218,610)			
Contributions	1,191,192	108,777			
Assets Transferred In	153,000	-			
Benefits paid	(2,127,705)	(1,027,202)			
Fair value of plan assets at year end	<u>25,413,996</u>	<u>24,303,254</u>			
C. Reconciliation of present value of defined benefit obligation and the fair value of assets					
Present value of obligation as at the year end	(23,904,716)	(22,296,054)			
Fair value of plan assets as at the end of the year	25,413,996	24,303,254			
Funded status	1,509,280	2,007,200			
Net asset recognized in Balance Sheet	<u>1,509,280</u>	<u>2,007,200</u>			
D. Amount recognized in the Consolidated Balance Sheet					
Present value of obligation at the end of the year	(23,904,716)	(22,296,054)			
Fair value of plan assets as at the end of the year	25,413,996	24,303,254			
Net asset recognized in balance sheet	<u>1,509,280</u>	<u>2,007,200</u>			
E. Expense recognized in the statement of Profit and Loss					
	31-Mar-16	31-Mar-15			
Particulars					
Current service cost	1,691,554	1,306,862			
Interest cost	1,753,598	1,525,268			
Expected return on plan assets	(2,019,553)	(2,114,093)			
Net actuarial loss recognized in the year	204,266	4,019,972			
Total expense recognized in employee benefit expense	<u>1,629,865</u>	<u>4,738,009</u>			
F. Experience adjustment					
Particulars	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Defined benefit obligation	23,904,716	22,296,054	16,689,765	16,198,882	12,524,961
Fair value of plan assets	25,413,996	24,303,254	23,383,722	18,243,181	13,697,279
Surplus in the plan	(1,509,280)	(2,007,200)	(6,693,957)	(2,044,299)	(1,172,318)
Experience adjustment on plan liabilities	390,533	1,158,045	470,218	1,714,897	(347,220)
Experience adjustment on plan assets	23,824	(58,500)	(87,430)	(133,085)	(85,251)

32 Segment reporting
a) Business Segments:

The Company recognizes its sale of crucibles activity as its only primary business segment since its operations predominantly consist of manufacture and sale of crucibles to its customers. Accordingly, income from sale of crucibles comprises the primary basis of segmental information set out in these consolidated financial statements.

b) Geographical segments:

Geographical segment will be the secondary segment for the purpose of AS-17 (Segment reporting). Geo graphical revenues are allocated based on the location of customers to whom goods are sold.

Particulars	31-Mar-16					31-Mar-15								
	India	Outside India			Total	India	Outside India			Total				
		Asia and Far East	Europe	Africa and Middle East			North America	Other	Asia and Far East		Europe	Africa and Middle East	North America	Other
Revenue from external customers	428,924,648	178,298,218	208,494,368	149,361,546	107,466,410	11,506,446	1,084,051,636	407,812,757	155,540,095	224,930,278	176,231,089	101,009,345	21,996,779	1,087,520,343
Carrying amount of segment assets (Trade receivables only)	74,609,426	24,232,640	51,887,997	15,250,740	5,985,514	5,285,060	177,251,377	39,584,755	66,331,076	35,128,764	10,447,739	4,468,394	1,933,841	157,894,569
Addition to fixed assets during the year (including Capital work in progress)	76,810,411	-	-	-	-	-	76,810,411	50,280,591	-	-	-	-	-	50,280,591

33 Related party disclosures
A. Names of related parties
a. Parties (where controls exists)

Morgan Advanced Materials Plc – Ultimate Holding Company

b. Investing Associates

Morganite Crucible Limited (holds 38.50% of issued, subscribed and paid up capital)
Morgan Terreassen BV (holds 36.50% of issued, subscribed and paid up capital)

c. Other related parties with whom transactions have taken place during the year
i. Fellow subsidiary companies

Morganite Crucible Inc., USA
Morgan Molten Metal System GMBH, Germany
Morgan Molten Metal System (Suzhou) Company Limited, China
Morgan Karbon Grafit Sanayi A.S.
Thermal Ceramics UK
Murugappa Morgan Thermal Ceramics Limited, Chennai
Morganite SouthAfrica Pty Limited (previously Thermal Ceramics South Africa Pty Ltd)
Morganite Brasil LTDA
Grupo Industrial Morgan, S.A. de C. Pachuca
Morganite Carbon Kabushiki Kaisha, Osaka
Furnace Industries
Morgan Ceramics Asia Pte Ltd, Singapore
Morganite Crucible Inc. – Wallingford, USA
Murugappa Morgan Thermal Ceramics Limited, Kalol, Gujarat

d. Key Management Person

Mr. Anirudha Karve – Managing Director (appointed on 1 July 2015)
Mr. Hitesh Saiwal – Managing Director (upto 30 April 2015)
Mr. Atthi Majumdar - Chief Financial Officer
Mr. Rupesh Khokle - Company Secretary

Details of Remuneration paid and amount outstanding as at 31. march 2016 to above mentioned Key Managerial Personnel

Name of the person	Remuneration paid		Outstanding payables		Outstanding receivable	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Mr. Anirudha Karve*	-	-	-	1,082,124	-	-
Mr. Hitesh Saiwal (also refer note 34)**	10,207,067	5,303,852	-	404,450	7,300,563	-
Mr Atthi Majumdar	2,241,825	1,835,120	404,450	425,677	-	-
Mr. Rupesh Khokle	978,521	844,541	29,258	132,600	-	-

* The remuneration to Mr. Anirudha Karve is paid by Morgan Advanced Material India Private Limited (Group Company) for which the Company has got the approval of its shareholders in general meeting.

** Remuneration paid for the year ended 31 March 16 includes superannuation fund, gratuity and leave encashment aggregating Rs. 2,206,504 and is inclusive of Rs. 7,300,563 which is subject to approval of the Central Government and is shown as a recoverable.

for the year ended 31 March 2016
(Currency: Indian Rupees)

33 Related party disclosures (Continued)

Related party transactions for the year ended 31 March 2016

Particulars	Ultimate Holding Company		Investing Associates		Fellow Subsidiaries													
	Morgan Advanced Materials Pte Ltd	Morganite Crucible Limited	Morgan Terrassen BV	Morganite Crucible Limited	Morganite Crucible Inc, USA	Morganite Metal System GMBH, Germany	Morgan Mollen Metal System (Suzhou) Company Limited, China	Morgan Mollen Brasil LTDA	Morganite Grafitt Sanayi A.S.	Thermal Ceramics UK	Murugappa Morgan Thermal Ceramics Limited	Morganite SouthAfrica Pty Limited	Morganite Crucible Inc, Wallingford, USA	Grupo Industrial Morgan, S.A. de C.V., Pachuca	Murugappa Morgan Thermal Ceramics Limited, Kalol, Gujarat	Morganite Carbon Kaishiki Kaisha, Osaka	Furnace Industries	Morgan Ceramics Asia Pte Ltd, Singapore
Income	-	-	-	-	104,867,400	83,939,543	4,892,199	149,704	2,652,936	-	-	49,011,807	219,263	1,573,385	-	6,466,077	-	-
Sale of finished goods	-	-	-	-	-	1,391,405	1,475,510	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of various expenses	-	-	-	-	-	837,093	575,614	-	-	128,876	-	-	-	-	-	-	902,140	-
Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of raw materials (including goods in transit)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchased of spares/ consumables	-	-	-	-	-	67,034	-	-	-	-	-	-	-	-	-	-	-	-
Capital Goods purchase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management charges	67,292,265	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trademark charges	8,440,762	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IT Support Services	992,770	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environment, health & safety expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	533,606	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	1,078,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding Balances as at 31 March 2016	-	-	-	-	5,883,053	25,300,698	1,557,768	-	1,026,757	-	-	3,686,793	-	-	-	1,364,971	-	-
Receivables	-	-	-	-	-	88,222	-	-	-	-	-	-	-	-	-	-	-	-
Payables	-	35,724,574	-	-	-	-	-	-	-	-	200,407	-	-	-	-	-	44,498	259,748

Related party transactions for the year ended 31 March 2015

Particulars	Ultimate Holding Company		Investing Associates		Fellow Subsidiaries													
	Morgan Advanced Materials Pte Ltd	Morganite Crucible Limited	Morgan Terrassen BV	Morganite Crucible Limited	Morganite Crucible Inc, USA	Morganite Metal System GMBH, Germany	Morgan Mollen Metal System (Suzhou) Company Limited, China	Morganite Brasil LTDA	Morganite Grafitt Sanayi A.S.	Thermal Ceramics UK	Murugappa Morgan Thermal Ceramics Limited	Morganite SouthAfrica Pty Limited	Morganite Crucible Inc, Wallingford, USA	Grupo Industrial Morgan, S.A. de C.V., Pachuca	Murugappa Morgan Thermal Ceramics Limited, Kalol, Gujarat	Morganite Carbon Kaishiki Kaisha, Osaka	Furnace Industries	Morgan Ceramics Asia Pte Ltd, Singapore
Income	-	-	-	-	99,041,324	91,400,424	3,420,285	70,328	1,883,893	-	-	55,512,545	260,762	6,873	-	-	-	-
Sale of finished goods	-	-	-	-	-	9,507,403	15,820,175	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of various expenses	-	-	-	-	-	314,145	262,650	-	-	47,556	-	-	-	-	-	-	-	-
Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of raw materials (including goods in transit)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchased of spares/ consumables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Goods purchase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management charges	88,459,779	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Royalty	7,963,450	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environment, health & safety expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	1,078,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding Balances as at 31 March 2015	-	-	-	-	4,468,394	17,739,094	1,459,512	70,328	-	-	-	8,132,492	24,180	6,873	-	-	-	-
Receivables	-	-	-	-	-	62,835	92,233	-	-	-	-	-	-	-	-	-	-	-
Payables	-	82,737,746	-	-	-	-	-	-	-	-	376,267	-	-	-	766,128	-	44,498	-

34 Managerial Remuneration

During the year Mr. Hitesh Saiwal resigned as Managing Director with effect from 30 April 2015. The Holding Company has paid an additional remuneration of Rs. 7,214,160 to him, which has been approved by a special resolution in the General Meeting dated 22 September 2015. If the limits prescribed under section 197 read with Schedule V of the Act are pro-rated for one month, then the total remuneration paid to him of Rs. 10,207,067 (which includes superannuation fund, gratuity and leave encashment aggregating Rs. 2,206,504) is more than the pro rated permissible limit by Rs. 7,300,563. The Holding Company has made an application to the Central Government for excess remuneration paid and pending approval has treated the excess remuneration paid as a recoverable.

35 Operating lease as lessee

The Company has entered into leases for cars for a period of 3 years. Total lease payments for non-cancellable leases recognized in the books for the year is Rs. 640,800 (2015 : Rs. 574,095)

Non-cancellable operating lease rentals payable (minimum lease payments) under the lease are as follows :

Particulars	31-Mar-16	31-Mar-15
Payable within one year	459,872	640,800
Payable between one and five year	-	459,872
Payable after five years	-	-

36 Earnings per share

Particulars		
Net profit after tax attributable to equity shareholders	99,876,856	57,605,978
Weighted average number of shares outstanding during the year (Nos.)	2,800,000	2,800,000
Earnings Per Share		
- Basic	35.67	20.57
- Diluted	35.67	20.57
Nominal value of an equity share	10	10

37 Dues to Micro and Small Enterprises

Under Micro, Small, and Medium Enterprises Development Act, 2006 (MSMED) which came in to force from 2 October, 2006, certain disclosures are required to be made relating to micro and small enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, small and medium enterprises:

Particulars	31-Mar-16	31-Mar-15
the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
- Principal	1,535,306	1,224,490
- Interest	-	8,842
the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	8,842
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	40,645	40,645

On the basis of information and records available with the Company, the above disclosures are made in respect of amounts due to the micro, small and medium enterprises, who have registered with the relevant competent authorities. This has been relied upon by the auditors.

38 Unhedged foreign currency exposures

The Company has entered into derivative contracts to hedge its risk associated with foreign currency fluctuations. However, none of these contracts can be co-related on one to one basis against the underlying exposure. As at the year end, the Company has no outstanding foreign exchange forward contracts.

Particulars	Foreign Currency Denomination	Foreign Currency Amount	Amount (R.)
Assets (Trade Receivables)	EURO	600,162 (428,868)	43,540,266 (28,318,143)
	GBP	254,171 (258,304)	23,743,248 (23,464,346)
	USD	627,890 (582,909)	39,518,101 (35,948,013)
Liabilities (Trade Payables)	EURO	19,969 (72,025)	1,517,356 (4,944,496)
	GBP	- (22,375)	- (2,102,317)
	USD	77,740 (3,882)	5,169,179 (246,431)
	AUD	850 -	44,013 -

Figures in brackets represent figures for the previous year

39 In accordance with AS-29 (Provisions, Contingent Liabilities and Contingent Assets), the movement in provision for warranty is as follows:

A provision is estimated for expected warranty claims in respect of products sold during the year on the basis of past experience regarding failure trends of products and costs of rectification or replacement. It is expected that most of this cost will be incurred over the next 12 months as per management estimate.

Particulars	31 March 2016	31 March 2015
At the commencement of the year	7,231,557	6,049,425
Provisions made during the year	7,380,000	8,400,247
Provision utilized during the year	5,641,779	7,218,115
At the end of the year	8,969,778	7,231,557

40 Corporate social responsibility

As per provisions of section 135 of Companies Act 2013, the Holding Company was required to spend Rs. 2,556,520 (2015: Rs 2,791,425) being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy on the activities specified in Schedule VII of the Act. However, the Holding Company has spent Rs. 434,205 (2015: Nil) towards Corporate Social Responsibility activities. The Holding Company is in process of exploring various options specified in Schedule VII on which it could do its spending of CSR for the benefit of society.

- a) Gross amount required to be spent by the Holding Company during the year - Rs. 2,556,520
b) Amount spent during the year on :

		In cash	Yet to be paid in cash	Total
(i)	Construction / acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	434,205		434,205

41 Transfer Pricing

The Company has developed a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for tax ation.

During the financial year the company has applied for Advance Pricing Agreement (APA) before the Central Board of Direct Tax (CBDT) and Government of India (GOI) for International Inter-company related party transactions with associated Enterprises (AE). The APA is an arrangement between the taxpayer and the tax authority covering future transactions, with a view to avoid the potential transfer pricing disputes in a cooperative manner. Once APA agreement is completed, the company will have certainty with respect to tax outcome of international transactions, by agreeing in advance the arm's length pricing, or pricing methodology which is to be applied. Under APA specific rollback provisions enable to attain certainty in transfer prices of international transactions for up to 9 years (including 4 years rollback provisions) in total. The company has applied for Advanced Pricing Agreement (APA) in FY 2015-16, the period covered under rollback is from FY 2012-13 to FY 2015-16 and five year down the line i.e. from FY 2016-17 to 2020-21. Besides this the APA has a persuasive value on all open Transfer pricing litigations of past years.

The Domestic Transfer Pricing Regulations as prescribed under section 92BA of the Income Tax Act, 1961 was introduced from April 1, 2012. The Company has been consistently transacting with related parties on an Arm's Length basis in accordance with Group Transfer Pricing Policy. The Company is of the opinion that there will be no significant changes to Arm's length price under determination in order to comply with the requirement of section 92BA of Income Tax Act. Hence, there will no material impact on the financial statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration no: 101248W / W-100022

Vijay Mathur
Partner
Membership No : 046476
Place : Mumbai
Date : 30 May 2016

**For and on behalf of the Board of Directors
of Morganite Crucible (India) Limited**

Aniruddha Karve
Managing Director
DIN : 07180005
Place : Aurangabad
Date : 30 May 2016

Subhash Kolapkar
Director
DIN : 06666368
Place : Aurangabad
Date : 30 May 2016

Atithi Majumdar
Chief Financial Officer
Place : Aurangabad
Date : 30 May 2016

Rupesh Khokle
Company Secretary
Place : Aurangabad
Date : 30 May 2016

MORGANITE CRUCIBLE (INDIA) LIMITED

CIN: L26920MH1986PLC038607

Registered Office: B-11, MIDC, Industrial Area, Waluj-431136 Dist.-Aurangabad.

Website: www.morganmms.com E-mail: rupesh.khokle@morganplc.com

31st Annual General Meeting – August 10, 2016

Proxy form

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014 – Form No. MGT-11]

Name of Member(s)	
Registered Address	
E-mail ID	
Reg.FolioNo./DPID/ClientID	
No.ofShares	

I/We being the member(s) of shares of the above named Company, hereby appoint

Name: E-mail.....

Address:.....

Signature:

or failing him/ her

Name: E-mail.....

Address:.....

Signature:

or failing him/ her

Name: E-mail.....

Address:.....

Signature:.....

as my/our proxy to vote (on poll) for me/us on my/our behalf at the **31st Annual General Meeting** of the Company, to be held on Wednesday, August 10, 2016 at 11.00 am (IST) at B-11, MIDC, Industrial Area, Waluj, Aurangabad-431136 and at any adjournment thereof in respect of the following resolutions:

Resolution No.	Resolution
Ordinary Business	
1.	Adoption of Audited Balance Sheet, Statement of Profit and Loss, Report of Board Directors and Auditors for the financial year ended March 31, 2016
2.	Approval of final dividend for the financial year ended March 31, 2016 on Equity Shares
3.	Re-appointment of Mr. Ian Keith Arber as a Director of the Company
4.	Appointment of B S R & Co. LLP as the auditors of the Company
Special Business	
5.	Appointment of Mr Mukund Bhogale as an Independent Director of the Company
6.	Amendment to the Memorandum of Association (MoA) of the Company
7.	Amendments to the Article of Association (AoA) of the company

Signed this _____ day of _____ 2016

Signature of Shareholder : _____

Signature of Proxy holder(s): _____

Affix Revenue Stamp of not less than Re. 1/-
--

Note:

The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Company's Registered Office, not less than 48 hours before the time for holding the meeting. The proxy need not be a Member of the Company.

MORGANITE CRUCIBLE(INDIA) LIMITED

CIN: L26920MH1986PLC038607

RegisteredOffice:B-11,MIDC Industrial Area,Waluj-431136 Dist.-Aurangabad.

Website: www.morganmms.com E-mail: Rupesh.Khokle@morganplc.com

Attendance slip

31st Annual General Meeting – August 10, 2016

Regd.FolioNo./DPID/Client ID:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Name of Shareholder:

--

No. of Shares held:

--	--	--	--	--	--	--	--	--	--

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 31st Annual General Meeting of the Company held on Wednesday, August 10, 2016 at 11.00 am (IST) at B-11, MIDC, Industrial Area, Waluj, Aurangabad - 431136.

.....

Proxy's name
(in BLOCK Letters)

.....

Member's/Proxy'sSignature

Notes:

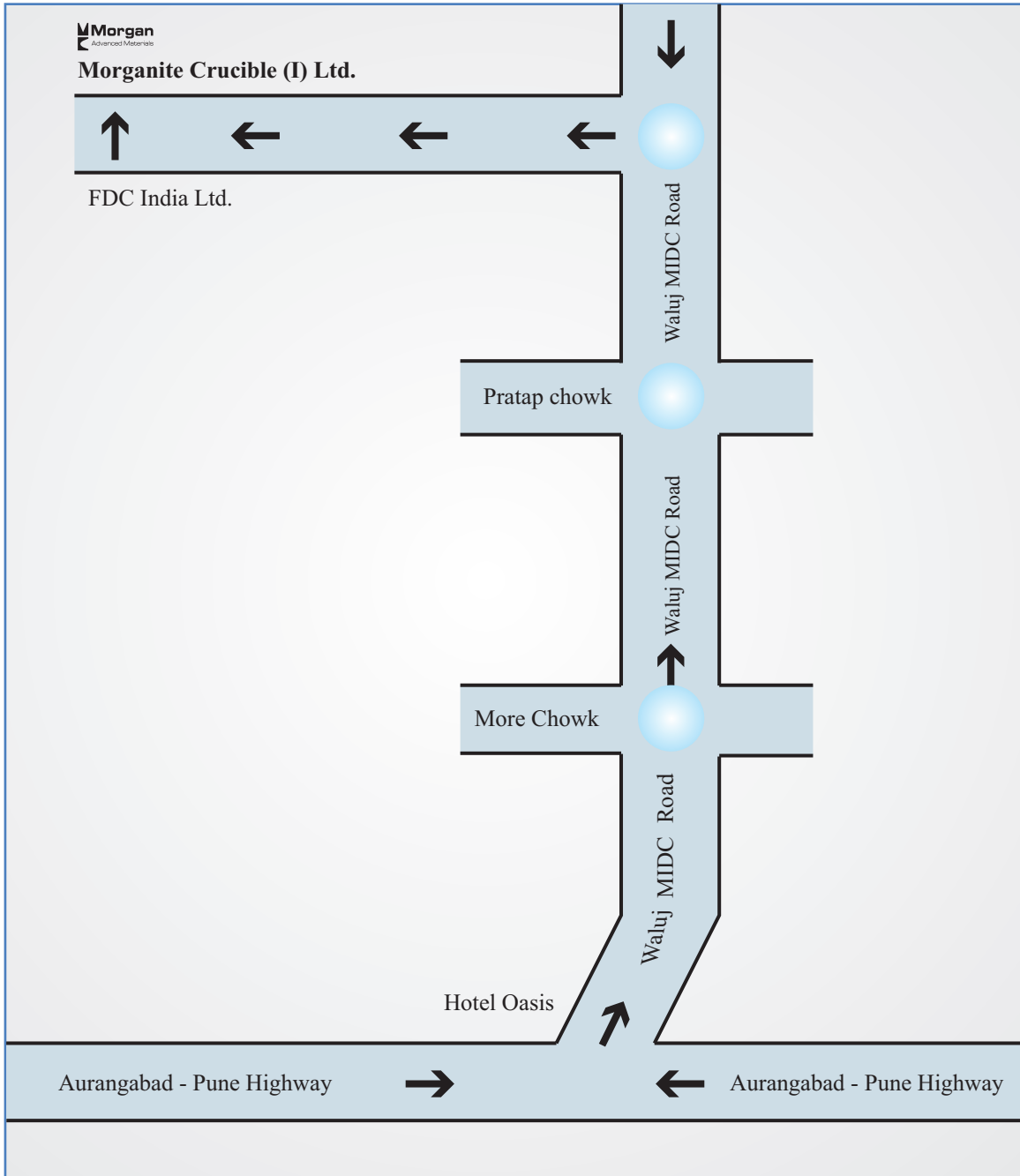
1. Shareholders/Proxy holders are requested to bring the attendance to the Meeting and hand them over at the entrance after affixing their signature.
2. Shareholders are requested to bring their copy of the Annual Report at the Annual General Meeting.

Note: Please cut here and bring the above attendance slip to the meeting

.....

Electronic Voting Sequence Number (EVSN)	User ID	Password
160706002		

NOTE: For e-voting, please read the instructions printed under the Note No.10 to the Notice dated May 30, 2016 of the 31st Annual General Meeting. The e-voting period begins on August 7, 2016 at 09.00 am and ends on August 9, 2016 at 05.00 pm. The e-voting module shall be disabled by CDSL for voting thereafter.



Morganite Crucible (India) Limited

CIN : L26920MH1986PLC038607
 B - 11, MIDC, Waluj, Aurangabad - 431 136.
 Maharashtra, INDIA
 Tel : +91 240 6652523, 6652520
 Email : Sales.India@morganplc.com
 Web : www.morganmms.com

Diamond Crucible Company Limited

CIN : U27100MH1981PLC269185
 212-C, GIDC Estate, Mehsana - 384 002.
 Gujarat, INDIA
 Tel : +91 2762 250503
 Email : Admin.India@morganplc.com
 Web : www.morganmms.com