Morgan
Advanced Materials

ANNUAL REPORT
2014-15

MORGANITE CRUCIBLE (INDIA) LIMITED

MORGANITE CRUCIBLE (INDIA) LIMITED

30TH ANNUAL REPORT 2014 -15

BOARD OF DIRECTORS	:	Mr. Sadanand V. Shabde	Chairman
		Mr. Hitesh Saiwal	Managing Director (Upto April 30, 2015)
		Mr. Stuart Alan Cox	Director (Upto April 30, 2015)
		Mr. Ian Keith Arber	Director (From Feb.11, 2015)
		Mr. Aniruddha Karve	Managing Director (From July 1, 2015)
		Ms. Maithilee Tambolkar	Independent Director (From March 28, 2015)
		Mr. Subhash B. Kolapkar	Independent Director
COMPANY SECRETARY	:	Mr. Rupesh Khokle	
CHEIF FINANCIAL OFFICER	:	Mr. Atithi Majumdar	
AUDITORS' OF THE COMPANY	:	B S R & Co., LLP Chartered Accountants, Mumbai.	
BANKERS	:	Axis Bank Ltd. The Hongkong and Shanghai Banking Corporation Ltd. State Bank of India UCO Bank	
REGISTERED OFFICE AND FACTORY	:	B-11, MIDC Industrial Area, Waluj, Aurangabad – 431 136 Maharashtra. India.	
INTERNAL AUDITOR	:	Price Waterhouse & Co. Chartered Accountants, Mumbai	

Registrar & Share Transfer Agent

Sharepro Services (India) Pvt. Ltd.
Samhita Warehousing Complex,
13 AB, Gala No. 52, 2nd Floor,
Near Sakinaka Telephone Exchange,
Of. Kurla, Andheri Road,
Sakinaka, Mumbai – 400 072
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Dir. +91 22 67720309

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NOTICE

NOTICE is hereby given that the 30th ANNUAL GENERAL MEETING of the Members of MORGANITE CRUCIBLE (INDIA) LIMITED will be held on Tuesday, September 22, 2015 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, 2015, including audited Balance Sheet as at March 31, 2015, 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, 2015.

3. To appoint M/s B S R & Co LLP, Chartered Accountants, (Registration No. 101248W/W-100022) as Statutory Auditors of the Company from the conclusion of Thirtieth (30th) Annual General Meeting until the conclusion of the Thirty Fifth (35th) Annual General Meeting of the Company, subject to ratification of the appointment by the Members of the Company at every Annual General Meeting on such remuneration as may be 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 :

4. Appointment of Mr Aniruddha Karve (DIN: 07180005) as Managing Director

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment of Mr Aniruddha Karve (DIN: 07180005) as Managing Director of the Company, on the terms and conditions of appointment as contained in the agreement entered into with him, for a period of 3 (three) years with effect from July 1, 2015, at a remuneration as may be mutually decided between the Company and Mr Aniruddha Karve, with authority to the Nomination and Remuneration Committee of the Board to alter and vary the remuneration as it may deem fit and to fix the quantum, composition and periodicity of the remuneration payable to the Managing Director.

RESOLVED FURTHER THAT notwithstanding anything herein, where in any financial year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may subject to receipt of the requisite approvals including approval of Central Government, if any, pay to the Managing Director as the minimum remuneration by way of salary, perquisites, performance pay, other allowances and benefits as specified in the explanatory statement annexed to the Notice convening this Meeting and that the perquisites pertaining to contribution to provident fund, superannuation fund or annuity fund, gratuity and leave encashment, if any shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of Part II of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT pursuant Schedule V, Section III of the Companies Act, 2013, a Managing Director may receive remuneration in excess of the limits specified in Section I or II as a managerial person from any other company and that other company is either a foreign company or has got the approval of its shareholders in general meeting to make such payment, and treats this amount as managerial remuneration for the purpose of Section 197 and the total managerial remuneration payable by such other company to its managerial persons including such amount or amounts is within permissible limits under Section 197.

RESOLVED FURTHER THAT the Board and Company Secretary be and is hereby severally authorised to do all such acts, deeds and take all such steps as may be necessary, proper or expedient to give effect to this resolution without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution."

5. **Managerial Remuneration to Mr Hitesh Saiwal (DIN 03437768) for financial year 2015-16**

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

"RESOLVED THAT subject to the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to such approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities including the Central Government in granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded for payment of remuneration of INR 77.63 lacs to Mr Hitesh Saiwal (DIN 03437768) as the Managing Director of the Company for the financial year 2015-16 upto April 30, 2015.

RESOLVED FURTHER THAT the consent of the shareholders of the Company be and is hereby accorded where in the financial year 2015-16, the Company has no profits or its profits are inadequate, the Company may subject to receipt of the requisite approvals including approval of Central Government, if any, consider the above remuneration as the minimum remuneration by way of salary, perquisites, performance pay, other allowances and benefits as mutually decided between the Company and Mr Hitesh Saiwal and that the perquisites pertaining to contribution to provident fund, superannuation fund or annuity fund, gratuity and leave encashment shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of part II of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution."

6. **Appointment of Mr Ian Keith Arber (DIN: 07080539) as 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 Mr Ian Keith Arber (DIN: 07080539), who was appointed as an Additional Director effective from February 11, 2015 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and Article of Association of the Company and who holds office up to the date of this Annual General Meeting, proposing his candidature to the office of Director, under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. **Appointment of Ms Maithilee Tambolkar (DIN: 00694128) 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, Ms Maithilee Tambolkar (DIN:00694128), who was appointed as an Additional Director (Independent) of the Company effective from March 28, 2015, and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment, be and is here by appointed as an Independent Director of the Company, with effect from September 22, 2015 upto September 21, 2020, not liable to retire by rotation."

8. **Appointment of Ms Pauline Tan (DIN: 07239652) as 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 Ms Pauline Tan (DIN:07239652), who was appointed as an Additional Director effective from August 13, 2015 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and Article of Association of the Company and who holds office up to the date of this Annual General Meeting, proposing his candidature to the office of Director, under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

9. **Appointment of Mr Mirco Pavoni (DIN: 07226299) as 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 Mr Mirco Pavoni (DIN:07226299), who was appointed as an Additional Director effective from August 13, 2015 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and Article of Association of the Company and who holds office up to the date of this Annual General Meeting, proposing his candidature to the office of Director, under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By Order of the Board

Registered Office:
B-11, MIDC, Waluj,
Aurangabad – 431 136
Date : August 13, 2015

Aniruddha Karve
(Managing Director)

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. Pursuant to Section 152 (6) of the Companies Act, 2013, the directors are required to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment and independent directors are excluded from counting of total number of directors for the purpose of retirement. Apart from independent directors, the rest of non-executive directors are appointed recently on Board as an additional directors whose office expires in ensuing annual general meeting and they are eligible for appointment as director of the Company therefore the company is unable to retire any directors in this annual general meeting.

3. **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.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 16, 2015 to Tuesday, September 22, 2015 (both days inclusive)

5. The Final Dividend for the financial year ended March 31, 2015, 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 September 15, 2015.

6. 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.

7. 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.

8. 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.

9. 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 Tuesday, September 15, 2015, 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.

10. The Company has appointed M/s. 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.

11. 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 September 19, 2015 at 09.00 am and ends on September 21, 2015 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 September 15, 2015 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*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) 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.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter **the number of shares held by you as on the cut off date** in the **Dividend Bank details field**.

(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 September 19, 2015 at 09.00 am (IST) and ends on September 21, 2015 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 September 15, 2015, 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 (A) helpdesk.evoting@cdslindia.com.

12. The voting rights shall be as per the number of equity share held by the Member(s) as on Tuesday, September 15, 2015. Members are eligible to cast vote electronically only if they are holding shares as on that date.

13. 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.

14. 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.

15. 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.

16. 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.

17. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Sharepro Services (India) 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.

18. 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. 4 :

Mr Aniruddha Karve is associated with Morgan Molten System (MMS) since July, 1, 2012 leading global operations for MMS division. Mr Aniruddha Karve graduated from University of Pune, India with a Bachelor of Mechanical Engineering and completed his PhD in Industrial/Manufacturing Engineering from Pennsylvania State University.

Mr Aniruddha Karve's past experience includes Quality Specialist, Engineer, and Manufacturing Engineering Manager at the Ford Motor Company USA. After 3 years leading manufacturing engineering, Mr Aniruddha Karve was given the responsibility of Operations Manager at Ford's Powertrain Operations facility in Michigan. He was also associated with Nemak-USA where he spent 5 years as Plant Manager/GM.

Considering the rich and varied experience of Mr Aniruddha Karve and future growth plan of the Company, the Board of Directors in their meeting held on May 25, 2015 upon recommendation of the Nomination and Remuneration Committee and subject to approval of members, has appointed Mr Aniruddha Karve as Managing Director of the Company for a term of 3 (three) years effective from July 1, 2015 based on terms and conditions as may be mutually discussed between the Company and Mr Aniruddha Karve as contained in the agreement entered into with him. Mr Aniruddha Karve is also designated as Key Managerial Person for the purpose of Section 203 of the Companies Act, 2013.

During the financial year 2015-16 the remuneration to Mr Aniruddha Karve may be payable from any other company and that other company is either a foreign company or has got the approval of its shareholders in general meeting to make such payment, and treats this amount as managerial remuneration for the purpose of section 197 and the total managerial remuneration payable by such other company to its managerial persons including such amount or amounts is within permissible limits under section 197.

The remuneration for the financial year 2016-17 and 2017-18 as recommended by Nomination and Remuneration Committee which shall also have the authority to review, decide on the quantum, composition and periodicity of payment shall be payable to Mr Aniruddha Karve as minimum remuneration as follows :

For Financial Year 2016 - 17 :

1. Basic Salary: INR 28.73 lacs per annum ;
2. Special Allowance 40% and Variable Bonus 28% of total remuneration with authority of the company to suitably modify within overall limit of total remuneration;
3. Employer's contribution to provident fund (12% of basic salary) is included in the total remuneration;
4. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service which shall be payable on completion of 5 years of service;
5. Medical Benefits : Payment/reimbursement of expenses incurred for self and family (including medi claim insurance) in accordance with the rules of the company;
6. Provision of car for use on Company's business and mobile phone would not be considered as perquisites;
7. Such other allowances, benefits, amenities, and facilities as per the Company's rules and policies.

8. The nature of employment of the Managing Director with the Company shall be contractual and can be terminated by giving three months' notice from either party.

For Financial Year 2017 - 18 :

1. Basic Salary: INR 31.31 lacs per annum ;
2. Special Allowance 40% and Variable Bonus 28% of total remuneration with authority of the company to suitably modify within overall limit of total remuneration;
3. Employer's contribution to provident fund (12% of basic salary) is included in the total remuneration;
4. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service which shall be payable on completion of 5 years of service;
5. Medical Benefits : Payment/reimbursement of expenses incurred for self and family (including medi claim insurance) in accordance with the rules of the company;
6. Provision of car for use on Company's business and mobile phone would not be considered as perquisites;
7. Such other allowances, benefits, amenities, and facilities as per the Company's rules and policies.
8. The nature of employment of the Managing Director with the Company shall be contractual and can be terminated by giving three months' notice from either party.

   As per Schedule V Section II of the Companies Act, 2013, the following information are being furnished with the notice of the annual general meeting for the Company

I. General Information:

(1) Nature of industry :

The Company is engaged in manufacturing and selling of crucibles, foundry products and its accessories.

(2) Date or expected date of commencement of commercial production:

The Company was incorporated on January 13, 1986 and received Certificate for Commencement of Business on May 21, 1986.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable

(4) Financial performance based on given indicators as per audited financial results for the year ended March 31, 2015 :

Particulars	INR in Lacs
Turnover & Other Income	8,928.73
Net Profit as Statement of Profit and Loss (after tax)	602.20
Profit as computed under Section 198 of the Companies Act, 2013	1208.26
Effective Capital	5,618.96

(5) Foreign investments or collaborations, if any.

The Company has neither made any foreign investment nor entered for any collaborations agreement.

II. Information about the appointee :

(1) Background details : Mr Aniruddha Karve's past experience includes Quality Specialist, Engineer and Manufacturing Engineering Manager at the Ford Motor Company USA. After 3 years leading manufacturing engineering, Mr Aniruddha Karve was given the responsibility of Operations Manager at Ford's Powertrain Operations facility in Michigan. He was also associated with Nemak-USA where he spent 5 years as Plant Manager/GM.

(2) Past remuneration : Mr Aniruddha Karve has not drawn any remuneration from the Company as he is appointed as Managing Director for a term of 3 years effective from July 1, 2015.

(3) Recognition or awards : Not Applicable

(4) Job profile and his suitability : Mr Aniruddha Karve has rich experience of more than 15 years in operation excellence, environment, health and safety and was associated with various multinational companies.

(5) Remuneration proposed : Consolidated remuneration payment of INR 137.50 lacs for the financial year 2016-17 and INR 149.88 lacs for the financial year 2017-18.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) : In view of vast experience of Mr Aniruddha Kare and his contribution to Morgan business since his joining as Vice President Global Operation for Morgan Molten System (MMS) and future growth plans of the company, the consolidated remuneration payment for 2016-17 and 2017-18 are commensurate with respect to same industry size, profile, position and person.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any : Mr Aniruddha Karve do not have any pecuniary relationship directly or indirectly with the Company.

III. Other information :

(1) Reasons of loss or inadequate profits : During the financial year 2014-15, changes in depreciation rates, increase in employee benefit expenses, increase in other expenses were reason of having low profitability which may carry the same impact in the coming financial year.

(2) Steps taken or proposed to be taken for improvement : The Company plans to diversify its product base by introducing new products, reduction in raw material prices, optimum utilisation of its internal resources, developing new markets having focus on increase in sales which may help the Company to improve its sales and profitability in the financial year 2016-17 and 2017-18.

(3) Expected increase in productivity and profits in measurable terms : In view of the present market scenario and Govt. policies, the sale of Company's product is expected to increase by 10 to 12 per cent as compared to previous year. The Company may achieve revenue from operations in the year 2016-17 between 100 to 110 crores and in 2017 18 between INR 115 to 120 crores.

IV. Disclosures : The disclosures relating to remuneration package of managerial person has been mentioned in Corporate Governance Report.

Your Directors recommend Resolution at Item No. 4 as a Special Resolution for approval of the members.

Item No. 5

Mr Hitesh Saiwal was appointed as Managing Director of the Company with approval of the members in the Annual General Meeting held September 25, 2013 for a term of 3 (three) years effective from February 1, 2013. The Board of

Directors in their meeting held on April 30, 2015 has accepted the resignation and relieved him from the services effective from April 30, 2015. The Company has paid Mr Hitesh Saiwal a lumsump consideration of INR 77.63 lacs for the financial year 2015-16.

As the remuneration paid to Mr Hitesh Saiwal exceeds the limit of 5 per cent of net profit calculated as per the provisions of Section 198 of the Companies Act, 2013, the following additional information as required by Section II of Part II of Schedule V to the Companies Act, 2013 is given herewith :

I. General Information :

(1) Nature of industry : The Company is engaged in manufacturing and selling of crucibles, foundry products and its accessories.

(2) Date or expected date of commencement of commercial production: The Company was incorporated on January 13, 1986 and received Certificate for Commencement of Business on May 21, 1986.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable

(4) Financial performance based on given indicators as per audited financial results for the year ended March 31, 2015:

Particulars	INR in Lacs
Turnover & Other Income	8,928.73
Net Profit as Statement of Profit and Loss (after tax)	602.20
Profit as computed under Section 198 of the Companies Act, 2013	1123.80
Effective Capital	5,618.96

(5) Foreign investments or collaborations, if any : The Company has neither made any foreign investment nor entered for any collaborations agreement.

II. Information about the appointee :

(1) Background details : Mr Hitesh Saiwal, a qualified Chartered Accountant and Company Secretary associated with the Company since 2011. Since his association with the Company, he was involved in developing of sales, improvement of operational efficiency and increasing margins.

(2) Past remuneration : Mr Hitesh Saiwal's last remuneration drawn in the financial year 2014-15 was INR 53.04 lacs.

(3) Recognition or awards : Not Applicable

(4) Job profile and his suitability : Mr Hitesh Saiwal was responsible to handle day to day operations of the Company including improvement in gross margins of the product, increase in sales, to drive focus of Environment, Health and Safety etc.

(5) Remuneration proposed : Consolidated remuneration payment of INR 77.63 lacs for the financial year 2015-16.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin): In view of the responsibility carried out by Mr Hitesh Saiwal during his tenure as Managing Director of the Company, the consolidated remuneration payment for 2015-16 is commensurate with respect to same industry size, profile, position and person.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel,if any: Mr Hitesh Saiwal do not have any pecuniary relationship directly or indirectly with the Company.

III. Other information :

(1) Reasons of loss or inadequate profits : During the financial year 2014-15, changes in depreciation rates, increase in employee benefit expenses, increase in other expenses were reason of having low profitability during the financial year 2015-16.

(2) Steps taken or proposed to be taken for improvement : The Company is focusing on reduction in raw material prices, optimum utilisation of its internal resources, developing new markets having focus on increase in sales which may help the Company to improve its sales and profitability in the financial year 2015-16.

(3) Expected increase in productivity and profits in measurable terms : In view of the present market scenario and Govt. policies, the sale of Company's product is expected to increase by 10 to 12 per cent as compared to previous year. The Company may achieve revenue from operations in the year 2015-16 between INR 90 to 95 crores.

IV. Disclosures : The disclosures relating to remuneration package of managerial person has been mentioned in Corporate Governance Report.

Your Directors recommend Resolution at Item No. 5 as a Special Resolution for approval of the members.

Item No. 6

The Board of Directors in their meeting held on February 11, 2015 has appointed Mr Ian Keith Arber as an additional director of the Company who holds office until ensuing annual general meeting. He has proposed candidature as a Director of the Company and has also given deposit of one lac rupees to the Company until gets elected in ensuing annual general meeting.

Mr Ian Keith Arber joined Managing Director of Morgan Molten Systems (MMS) division effective from January 14, 2014, he is associated with Morgan since 2007 as the General Manager of Furnace Industries, Perth. Prior to this, Mr Ian had undertaken a number of roles with Morgan in Australia and in the Thermal Ceramics business in the United States. Mr Ian brings to this role a strong track-record of leading and growing businesses, both as a General Manager and as the Managing Director of Australia.

In view of vast experience and leadership, your Directors recommend Resolution at Item No. 6 as an Ordinary Resolution for approval of the members.

Item No. 7

The Board of Directors of the Company has appointed Ms Maithilee Tambolkar as an additional director (Independent) of the Company effective from March 28, 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. Ms Maithilee Tambolkar 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 Ms Maithilee Tambolkar that she 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.

Ms Maithilee is also entrepreneur and has long standing experience in the field of auto ancillary manufacturing process. Recently, she was awarded with "Udyogini Gaurav Award" presented by Maharashtra Industries Minister Mr Subhash Desai. This award was given as the recognition of significant contribution, made by Ms Maithilee for the innovative technology practices in the field of auto parts manufacturing.

In view of rich experience of Ms Maithilee, the Board has proposed to appoint her for a term of five years effective from September 22, 2015 subject to approval of the members in the annual general meeting of the company. Your Directors recommend Resolution at Item No.7 as an ordinary resolution for approval of the Members.

Item No. 8

The Board of Directors in their meeting held on August 13, 2015 has appointed Ms Pauline Tan as an additional director of the Company who holds office until ensuing annual general meeting. She has proposed candidature as a Director of the Company and has also given deposit of one lac rupees to the Company until gets elected in ensuing annual general meeting.

Ms Pauline Tan joined Morgan in January, 2014 and she took over charge of Morgan Molten System (MMS) as Finance Director effective from February 1, 2015.Ms Pauline Tan has strong track-record of more than 15 years in financial planning, reporting, analysis and control. She was associated with reputed multinational businesses like Digicel, NCS Group and IFF etc. Since taking over charge as MMS Finance Director, she has been instrumental in various financial reporting and internal control systems.
Your Directors recommend Resolution at Item No. 8 as an Ordinary Resolution for approval of the members.

Item No. 9

The Board of Directors in their meeting held on August 13, 2015 has appointed Mr Mirco Pavoni as an additional director of the Company who holds office until ensuing annual general meeting. He has proposed candidature as a Director of the Company and has also given deposit of one lac rupees to the Company until gets elected in ensuing annual general meeting.

Mr Mirco Pavoni is presently acting as Technology Director for Morgan Molten System (MMS) since last three years. He has been associated with Morgan in number of roles such as Operation Manager, Quality and R & D Manager. He has rich experience in lean manufacturing, product development, six sigma, continuous improvement, operational excellence and process engineering etc. During his tenure with MMS, he has been actively involved in new product development, diversifying the product portfolio and market research of crucibles and foundry products. The Board believes with his great excellence and immense knowledge, the Company will achieve more improvement in product quality, life of product and operational excellence.
Your Directors recommend Resolution at Item No. 9 as an Ordinary Resolution for approval of the members.

By Order of the Board,

Registered Office :
B-11 MIDC, Industrial Area, Waluj,
Dist.:- Aurangabad (MS) – 431 136,
Date: August 13, 2015

Aniruddha Karve
(Managing Director)

DIRECTORS' REPORT

AND MANAGEMENT DISCUSSION AND ANALYSIS

To,
The Members,

Your Directors have pleasure in presenting the 30th Annual Report, together with the Audited Financial Statements of the Company for the financial year ended March 31, 2015.

FINANCIAL PERFORMANCE:

(Rs. In Lacs)

Particulars	Standalone		Consolidated	
	2015	2014	2015	2014
Revenue from Operations, net of excise	8,754.21	7,937.03	10,875.20	9,967.11
Other Operating Revenue	116.05	120.32	130.45	131.83
Other income	58.47	198.26	79.77	232.15
Total income	**8,928.73**	**8,255.61**	**11,085.42**	**10,331.09**
Operating Expenses	7,069.97	6415.99	9,077.65	8,310.79
Profit before finance cost, depreciation and amortisation	**1,858.76**	**1,839.62**	**2,007.77**	**2,020.30**
Finance Cost	0.74	34.39	0.74	34.39
Depreciation and Amortisation Expense	787.26	465.67	895.56	559.18
Profit before tax	**1,070.76**	**1,339.56**	**1,111.47**	**1,426.73**
Provision for tax	468.56	497.27	534.05	553.59
Share of minority interest	**-**	**-**	1.36	28.64
Profit after tax	**602.20**	**842.29**	**576.06**	**844.50**
Add: Balance brought forward from previous year	4,422.23	3,612.70	4,786.94	3,975.20
Amount available for appropriation	**5,009.73**	**4,454.99**	**5,347.20**	**4,819.70**
Less: Appropriation/transfer				
Proposed equity dividend	28.00	28.00	28.00	28.00
Corporate dividend tax	5.70	4.76	5.70	4.76
Balance carried to Balance Sheet	**4,976.03**	**4,422.23**	**5,313.50**	**4,786.94**

DIVIDEND :

Your Directors are pleased to recommend a final dividend of Re. 1/- per equity share of face value of Rs. 10/- each, amounting to Rs. 33.70 lacs including dividend distribution tax for the financial year 2014-15 for approval of the members in the ensuing 30th Annual General Meeting of the Company.

OPERATIONS :

Revenue & Profits – Standalone :

During the year under review, the Company has achieved net turnover of Rs. 8,754.21 lacs as compared to Rs. 7,937.03 lacs, at a growth rate of 10%. The export sales were Rs. 6,081.09 lacs as compared to Rs. 5,269.41, at a growth rate of 15%. The gross profit was down to Rs. 1,070.76 lacs as compared to Rs. 1,339.56 lacs. The operating expenses were Rs. 7,069.97 lacs as compared to Rs. 6,415.99 lacs in last year.

Revenue & Profits – Consolidated :

During the year under review, the Company has achieved net turnover of Rs. 10,875.20 lacs as compared to Rs. 9,967.11 lacs, at a growth rate of 9%. The revenue as on consolidated basis came 14% from Asia and Far East, 20% from Europe, 16% from Africa and Middle East etc. The gross profit was down to Rs. 1,111.47 lacs as compared to Rs. 1,426.73 lacs. The operating expenses were up by 9% to Rs. 9,077.65 lacs as compared to Rs. 8,310.79 lacs in last year.

FUTURE OUTLOOK :

The Indian economy has witnessed controlled inflation, rise of domestic product demand and increase in investment during the year 2014-15 and outlook continues to be positive in coming years. The Indian economy grew at 7.3 per cent in 2014-15 as compared to 6.9 per cent in 2013-14 due to improvement in manufacturing as well as service sectors. The rupee remained constant and under check on account of constricted monetary policy by Reserve Bank of India (RBI), however in view of inflation easing the during the year, RBI has softened policy by cutting repo rates in January, 2015. The Consumer Price Index remained around 5 per cent as on 2014-15.

The Indian auto industry contributes 22 per cent of the country's manufacturing GDP. The Indian automobile industry is estimated to become 3rd largest in the world by 2016 by initiative of 'Make in India' drive, easy finance schemes, healthy growth in passenger vehicles, favourable government policies, as well as 100 per cent FDI under automatic route in auto sectors etc. The Indian passenger vehicle market is expected to grow at a compound annual growth rate (CAGR) of 12% by 2020. This sector continues to remain key market for the company's product based on the following factors :

- Major global OEMs are planning to make components in India sourcing hub for their global operations.
- Several global Tier-I suppliers have also announced plans to increase procurement from their Indian subsidiaries
- India is also emerging as a sourcing hub for engine components, with OEMs increasingly setting up engine manufacturing units in the country
- India's projected production is around 8.7mn passenger vehicles per year by 2020 (with most of them being compact cars)
- Many MNC's including (Ford, Hyundai, Toyota, GM, and Honda) have either built or are in the process of building facilities in India
- Various innovative product development & strategic initiatives in the segment will surely boost crucible and allied products (like blue lightening & DGR) sale in the segment.

The Indian Metal Casting (Foundry Industry) production is estimated to be 9.34 Million MT of various grades of Castings *(Source: Indian Institute of Foundry men)*. The castings produced by foundries make way into various end user sectors like the automotive, construction, heavy machinery, railways, valve and general engineering. Foundry Industry has a turnover of approx. USD 15 billion with exports of approx. USD 2 billion. Non automotive casting production in Copper iron and zinc oxide continue to be an area of focus and potential growth for the company.

Construction :

- India's residential and non-residential building industry expanded at a CAGR of 10.7 per cent over FY 08-11. Growth in the sector is set to increase in the next few years; forecasts put the CAGR for FY 12-17 at 14.5 per cent
- The growth in residential industries will boost crucible sale in Cupper based alloys and ZnO foundries.

- In addition to the Indian market, the company continues to see positive growth prospects in the North and South American markets in its export business. European market will remain flat and Asian markets will continue to be sluggish based on economic conditions in China.

RECOGNITION :

Your Company continued to remain ISO 9001:2008 certified for Quality Management System Standards.

PUBLIC DEPOSIT :

During the year, the Company has not accepted any fixed 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 the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement, your Company has formulated a 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

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a yearly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length. In every Audit Committee meeting, the schedule of related party transactions for every quarter ended are being placed to ensure transactions are 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 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.

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 and commitments affecting 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 silent features financial of the subsidiary company for the year ended March 31, 2015 is annexed as part of this Board Report in Form AOC 1 as *Annexure 1*. However, the Company has published the audited consolidated financial statements for the financial year March 31, 2015 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.

DIRECTORS :

During the year under review, the Company has appointed Mr Ian Keith Arber as an Additional Director (Non-executive) effective from February 11, 2015, Ms Pauline Tan as Additional Director (Non-executive) effective from August 13, 2015, Mr Mirco Pavoni, Additional Director (Non-executive) effective from August 13, 2015 and Ms Maithilee Tambolkar Additional Director (Independent) effective from March 28, 2015.

Mr. Hitesh Saiwal 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. 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. Ms Maithilee Tambolkar has given the certificate of independence to your Company stating that she meets the criteria of independence as mentioned under Section 149 (6) of the Companies Act, 2013.

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 Board is looking forward to develop evalauation process over the period for effective functioning of Board as well as each Director.

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 four 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 Sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board, 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 Rs. 60 lacs or more, or employed for part of the year and in receipt of Rs. 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 Company has constituted Risk Management Committee in line with provisions of Companies Act, 2013 and Clause 49 of the Equity Listing Agreement, having composition of executive and independent directors. The responsibility of the committee includes identification and control of risks and/or opportunities, maintaining of sound system of risk oversight, management, and internal control and to assess, manage and monitor the operational and environmental risk.

During the year, the following risk management activities has been carried out for identifying, monitoring and mitigating impact of risks :

- Assessed risks associated with business through dashboard indicators such as exposure, potential impact and assessment of progress of mitigation actions.
- Periodical assessment of risks, their potential impact on key business objectives relating to growth, profitability, talent engagement, market position, reputation and operational excellence were conducted.
- Competitive position in key market segments comprising geographies, industries and service lines were conducted and actions were reviewed.

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. The terms of reference of the CSR Committee are in line with provisions of Companies Act, 2013 and rules made thereunder which is part the Corporate Governance Report.

During the year under review, the Company was exploring projects for CSR activities and has identified few of them which shall be undertaken in coming years hence the company was unable to spent any funds towards CSR activity for the financial year ending March 31, 2015.

ENVIRONMENT, HEALTH AND SAFETY :

The Morgan Group is committed to provide a safe workplace for the employees, contractual labour and third parties throughout its manufacturing facilities worldwide. A failure in the Group's EHS procedures could lead to environmental damage or injury or death of employees or third parties, with a consequential impact on operations, financial damages and damage to reputation.

During 2014 the Group launched a global behavioural safety programme i.e. 'thinkSAFE', which is also implemented in your Company. A key component of thinkSAFE is the installation of a 'safety corner' at each Group facility. The safety corners are used to build a greater awareness of health and safety and to provide an interactive focus for safety information. The Morgan Group also developed a group-wide online incident tracking system to cover health and safety incidence. The Group's long-term objective is 'zero harm' and it seeks to achieve year-on-year improvements in performance as it progresses towards this objective.

As a part of commitment and continuous improvement towards environment, health and safety your Company has made improvements in certain identified areas which summary as below –

Operational :

- Crane installation for handling of crucible during process for better ergonomics

- Installation of auto feeding mix trolley
- Emphasis on reduction of dust level in the factory
- Installation of conveyors at finishing and packaging area

Well-being :

- Developed Occupational Health Centre (OHC)
- Training program on 'Leading thinkSAFE' and think safe in action for all employees
- Regular internal training/programs for developing awareness on environment, health and safety 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
- Biggest Loser' for weight reduction competition
- Celebrated 'Morgan and National Safety Week'

LEGAL AND GOVERNANCE :

Your Company is committed to observe the compliances under various statute applicable to the Company such as Companies Act, Securities laws, Listing Regulations and other statutory laws. Since implementation of Companies Act, 2013 and revised corporate governance code, your company has implemented various policies and adopting good governance practices throughout its operations.

Morgan believes that *'quality of contracts must match our quality of products'*, ineffective contract risk management could result in significant liabilities for the Group as well as the Company and damages to customer relationships. The Group Legal Policy requires review on high-risk contracts or contracts crosses certain threshold limit to avoid unforeseen circumstances. Further, your company is also committed to abide the provisions of United Kingdom Bribery Act, 2010 and its applicable compliance. Every individual who joins the Morgan group, has been given with training on Responsible Business Program (RBP) followed by periodic updates and training sessions on Competition laws, Ethics Policy and Contract Risk Management.

HUMAN RESOURCES :

Your Company believes that having best talent, skillful employees and high motivation level of employee 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 successfully extended Wage Agreement with its workmen for further period of 3 years without any interruption to the business having optimum growth in their package deal.

The senior and middle management has been provided with periodic leadership development and counselling program. As part of 'thinkSAFE' drive, the training programs for behavioral change are being implemented successfully to all levels of employees in the organisation. Any employee can share best practices through various suggestions schemes and Kaizens for process and quality improvement, cost saving and focus on environmental health and safety.

AUDITORS :

Statutory Auditors

M/s B S R & Co. LLP (Registration No. 101248W/W-100022) was appointed as Statutory Auditors in the last Annual General Meeting (AGM) of the Company held on September 25, 2014 for a period of One year. Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Rules framed thereunder and upon recommendation of Audit Committee, it is proposed to appoint M/s B S R & Co. LLP as Statutory Auditors of the Company from the conclusion of Thirtieth (30^{th}) Annual General Meeting until the conclusion of the Thirty Fifth (35^{th}) Annual General Meeting of the Company, subject to ratification of the appointment by the Members of the Company at every Annual General Meeting on such remuneration as may be 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.

The report given by the Auditors on the financial statements of the Company is part of the 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 2014-15, as required under Section 204 of the Companies Act, 2013 and rules thereunder. The Secretarial Audit Report for financial year 2014-15 forms part of the Board 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 2015-16.

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

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 financial year ended March 31, 2015, 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 :

Your Company emphasises on implementation of new provisions of Companies Act, 2013 and amended corporate governance code into the business operations of the Company. As part of the commitment, the Company has adopted various policies and good governance practices in their day to day operations and these policies are governed by various committees constituted under the statue.

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, 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 OUT GO :

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

ACKNOWLEDGMENTS :

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,

Sadanand V. Shabde	Aniruddha Karve
(Chairman)	(Managing Director)

Place : Aurangabad
Date : August 13, 2015

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 INR)

Name of Subsidiary	Diamond Crucible Company Limited
Reporting period for the subsidiary concerned	March 31, 2015
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
Reserves & surplus	127,700,263
Total Assets	202,624,361
Total Liabilities (excluding share capital and reserve & surplus)	71,424,098
Investments	-
Turnover	225,834,599
Profit before taxation	6,826,629
Provision for taxation	6,548,781
Profit after taxation	277,849
Proposed Dividend	Nil
% of shareholding	51

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

1. Names of subsidiaries which are yet to commence operations – **Not Applicable**
2. 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 2014-15

Name of Director	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
Hitesh Saiwal	Managing Director	85:1	8%

ii. The percentage increase in remuneration of Chief Financial Officer and Company Secretary during the financial year 2014-15

Name	Designation	Percentage increase in Remuneration
Atithi Majumdar	Chief Financial Officer	16%
Rupesh Khokle	Company Secretary	9%

iii. The percentage increase in the median remuneration of Employee for the financial year was 10 per cent.

iv. There were 70 employees on rolls of the Company as on March 31, 2015.

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.

vii. The Market Capitalisation of the Company as on March 31, 2015 was Rs.153.44 crores as compared to Rs. 76.59 crores as on March 31, 2014. The price earnings ratio of the Company was 25.48 as at March 31, 2015 and was 9.09 as at March 31, 2014. The closing share price of the Company at BSE Limited on March 31, 2015 was Rs. 548/- per equity share of face value of Rs. 10/- each as compared to share price of Rs. 273.55/- per equity share as on March 31, 2014.

viii. Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 11.55% whereas the increase in the managerial remuneration was 8%. 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, 2015

(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 31st March 2015 (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 31st March 2015, 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 **(Not applicable to the Company during the Audit Period);**

(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.

(ii) Further, certain events required to be reported to the Registrar of Companies, have not been filed as on the date of the report. However, the company is in the process of complying with this requirement.

(iii) The Company has done all the reporting's to stock exchange in time and has published all the required notices and results in newspaper in accordance with listing agreement except in one quarter.

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 with payment of additional fees in certain events.

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.

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.

We further report that during the audit period, the Company has paid Management charges and trademark charges to its ultimate holding Company M/s. Morgan Advance Materials Plc.

For KMP & Associates
Company Secretaries
Sd/-

Date: 13.08.2015 — **CS Mandar Takalkar**
Place: Aurangabad — (Partner)
Membership No. 32369

This report is to be read with our letter of even date which is annexed as Annexure A 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 since the same have been subject to review by statutory financial audit and other designated professionals, and is not covered under the scope of statutory 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/-

Date: 13.08.2015
Place: Aurangabad

CS Mandar Takalkar
(Partner)
Membership No. 32369

Annexure 4

Extract of Annual Return

Form No. MGT-9		
EXTRACT OF ANNUAL RETURN		
As on the financial year ended on March 31, 2015		
[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]	13th 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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall bestated)

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. SHARE HOLDING 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-2014]				No. of Shares held at the end of the year [As on 31 - March-2015]				% 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	6,86,000	14,14,000	21,00,000	75.00	-
Total shareholding of Promoter (A)	6,86,000	14,14,000	21,00,000	75.00	6,86,000	14,14,000	21,00,000	75.00	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	10,500	-	10,500	0.000	7,465	-	7,465	0.0000	-
b) Banks / FI	100	500	600	0.021	100	500	600	0.0214	-
c) FIIs	-	-	-	-	17,709	-	17,709	0.0000	-
Sub-total (B)(1):-	**10,600**	**500**	**11,100**	**0.396**	**25,274**	**500**	**25,774**	**0.920**	**0.524**
2. Non-Institutions									
a) Bodies Corp.	1,13,798	900	1,14,698	4.096	68,966	200	69,166	2.4702	-1.626
i) Indian	-	-	-	-	-	-	-	-	0.000
ii) Overseas	-	-	-	-	-	-	-	-	0.000
b) Individuals									0.000
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4,22,043	1,00,959	5,23,002	18.67	4,72,582	97,109	5,69,691	20.346	1.667
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	42,520	-	42,520	1.51	23,020	-	23,020	0.8221	-0696
c) Others (specify)	-	-	-	0.00	-	-	-	0.0000	0.000
Non Resident Indians	8,480	200	8,680	0.31	12,149	200	12,349	0.441	0.131
Sub-total (B)(2):-	**5,86,841**	**1,02,059**	**6,88,900**	**24.60**	**5,76,717**	**97,509**	**6,74,226**	**24.08**	**-0.524**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**5,97,441**	**1,02,559**	**7,00,000**	**25**	**6,01,991**	**98,009**	**7,00,000**	**25**	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**12,83,441**	**15,16,559**	**28,00,000**	**100**	**12,87,991**	**15,12,009**	**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	MORGAN TERRASSEN BV	10,22,000	36.50	-	10,22,000	36.50	-	-
2	MORGANITE CRUCIBLE LIMITED	6,86,000	24.50	-	6,86,000	24.50	-	-
3	MORGANITE CRUCIBLE LIMITED	3,92,000	14.00	-	3,92,000	14.00	-	-

iii) Change in Promoters' Shareholding (please specify, if there isno change)

There are no changes in the Promoter's shareholding during the Financial Year 201415.

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	**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**
2	**VIJAY PRAKASH GUPTA**				
	At the beginning of the year	10,842	0.3872	10,842	0.3872
	Bought during the year	500	0.0179	500	0.0179
	Sold during the year	-	-	-	-
	At the end of the year	**11,342**	**0.4051**	**11,342**	**0.4051**
3	**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**

4	**PRAVEEN SACHDEV**				
	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**
5	**USHA SHANTIKUMAR LOONKER**				
	At the beginning of the year	0	0	0	0
	Bought during the year	9,757	0.3485	9,757	0.3485
	Sold during the year	-	-	-	-
	At the end of the year	**9,757**	**0.3485**	**9,757**	**0.3485**
6	**APARNA RAJENDRA DESHPRABHU**				
	At the beginning of the year	7,692	0.2747	7,692	0.2747
	Bought during the year	2,000	0.0714	2,000	0.0714
	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	9,150	0.3268	9,150	0.3268
	Bought during the year	-	-	-	-
	Sold during the year	850	-0.030	850	0.030
	At the end of the year	**8,300**	**0.2964**	**8,300**	**0.2968**
8	**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**
9	**VIJAY GUPTA (HUF)**				
	At the beginning of the year	6,701	0.2393	6,701	0.2393
	Bought during the year	850	0.0304	850	0.0304
	Sold during the year	-	-	-	-
	At the end of the year	**7,551**	**0.2697**	**7,551**	**0.2697**
10	**VARSHA RAJENDRA SHAH**				
	At the beginning of the year	6,000	0.2143	6,000	0.2143
	Bought during the year	500	0.0178	500	0.0178
	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 indebtness with respect to secured or Unsecured Loans or Deposits during the Financial Year 201415

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL			
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:			
		(Amt in Lacs)	
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	50.62	50.62
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.42	2.42
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	others, specify…	-	-
5	Others, please specify	-	-
	Total	**53.04**	**53.04**
	Ceiling as per the Act	**56.42**	

B. Remuneration to other directors

(Amt in Lacs)

Sr. No	**Particulars of Remuneration**	**Name of Directors**			**Total Amount**
		Sadanand Shabde	**Subhash Kolapkar**	**Maithilee Tambolkar***	
1	Independent Directors				
	Fee for attending board committee meetings	0.80	0.60	-	1.40
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	0.80	0.60	-	1.40
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	0.80	0.60	-	1.40
	Total Managerial Remuneration				54.44
	Overall Ceiling as per the Act				138.49

* Ms Maithilee Tambolkar was appointed as Additional Director (Independent) *vide* Circular Resolution passed on March 28, 2015, therefore she has not received any sitting fees during the year under review.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD				
				(Amt in Lacs)
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	18.35	8.44	26.79
	(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	**18.35**	**8.44**	**26.79**
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:				
There were no penalties / punishmnet / 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

<u>Auditors Certificate on Corporate Governance</u>

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, 2015, as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.

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 stipulated in the above mentioned Listing Agreement.

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.

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

Aniruddha Godbole
Partner
Membership No.105149

Place: Mumbai
Date: 13 August 2015

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 :

- Upgradation of existing Kiln for utilisation of CG firing. The Company has saved between 25-30 per cent energy for paradigm shift.
- Optimisation of load per firing in all Kilns.
- Re-cycling of waste heat in ovens.

b. Additional Investments and proposals if any, for reduction of consumption of energy.

The Company has spent Rs. 60 lacs during the year towards upgradation of Kiln.

c. Impact of (a) & (b)

- Consumption of less electricity energy and LPG
- Better utilization of the available resources, cost reduction and better overall efficiency.

d. Total Energy As per Form A in respect of industries specified in Consumption schedule.

FORM A

Form for disclosure of particulars with respect to Conservation of Energy

	For the year ended March 31, 2015	For the year ended March 31, 2014
A. Power and Fuel Consumption:		
1. Electricity		
a) Purchased		
Unit (KWH)	1,443,375	1,355,160
Total Amount (Rs.)	9,250,224	8,538,194
Rate/Unit (Rs.)	6.41	6.30
b) Own Generation		
i) Through Diesel Generator		
Units (KWH)	5,156	4,286
Units per ltr of Diesel oil	2.12	3.39
Cost per Unit (Rs. per ltr of diesel)	61.16	57.55
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)	1,041,390	1,023,720
Total Amount (Rs.)	60,810,835	73,425,949
Average Rate (Rs./KG)	58.39	85.26
B. Consumption per unit of Production:		
Refractories		
i) Electricity	0.50	0.43
ii) Diesel	0.001	0.001
iii) LPG	0.36	0.33

FORM B

Form for Disclosure of Particulars with respect to Absorption

Research and Development (R&D):

Specific Area	Focus on new product development in foundry products such as Blue Lightning Pyrometer WA, Stoppers, Liners, Launders etc. Development of Ultramelt crucibles using advanced materials for high performance
Benefits Derived	Diversification in product portfolio Penetrating in new market segment Quality control and improvement

Expenditure on R & D

	(Rs. in lacs)
Capital	-
Recurring	5.50
TOTAL	**5.50**
Total R & D expenditure as a percentage of Turnover	0.06%

Technology Absorption, Adaptation & Innovation:

Efforts made:

a) Development of crucible for induction melting furnace
b) Development in foundry accessories products
c) Continuous improvement through suggestions schemes and Line Kaizens
d) Implementation Single Piece Flow for finishing and packaging under Lean Program

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

Foreign Exchange Earnings and Outgo:

	(Rs. in lacs)
Foreign Exchange Earnings	6,081.09
Foreign Exchange Outgo	2,115.67

For and on behalf of the Board,

Place: Aurangabad	Sadanand V. Shabde	Aniruddha Karve
Date: August 13, 2015	(Chairman)	(Managing Director)

CORPORATE GOVERNANCE REPORT

"Corporate Governance is about promoting corporate fairness, transparency and accountability".

James D. Wolfensohn (Ninth President World Bank)

Morgan's Philosophy on Code of Governance :

The transparency, responsibility, fairness and accountability are important pillars of Corporate Governance. Good governance is decisively the manifestation of personal beliefs and values which configure the organizationalvalues, beliefs and actions of its Board.It is an application of best management practices, compliance of law, ethical business, integrity and honesty while meeting the stakeholder's expectations. 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 several amended norms in the Corporate Governance effective from October 1, 2014 compatible with new provisions of Companies Act, 2013 as amended from time to time to make framework of Corporate Governance more effective and encourage the companies to adopt best practices.

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, 2015 the Board comprises of 6 Directors out of which 5 are Non-Executive Directors (more than 75% of the total Board strength) and among these 5 Non-Executive Directors 3 are Independent Directors (more than 50% of the total Board strength). During the year, four Board of Directors meetings were held on May 22, 2014, August 12, 2014 November 11, 2014 and February 11, 2015.

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)	Non-Executive Independent	1	-	4	Yes
Hitesh Saiwal (Managing Director)	Executive	2	-	4	Yes
Stuart Cox	Non-Executive	1	-	4	No
Subhash Kolapkar	Non-Executive Independent	-	-	4	Yes
Ian Keith Arber (From 11-02-2015)	Non-Executive	1	-	-	-
Maithilee Tambolkar (From 28-03-2015)	Non-Executive Independent	-	-	-	-

- # excludes directorship in private limited companies, alternate directorship and companies incorporated outside India
- There are no Nominee Directors on the Board
- Mr Hitesh Saiwal 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.

Board Evaluation :

During the year, the evaluation was completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees and Directors. It was focused on various aspects of the Board and Committees functioning such as composition of the Board and Committees, experience and competencies etc.

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 Clause 49 of the Listing Agreement and Section 149 (6) of the Companies Act, 2013, an Independent Director shall mean a non-executive director, other than a nominee director of the company who in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience and is not related to promoters or directors in the company, its subsidiary or associate company and apart from receiving directors' remuneration, has or had no material pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.

The independent directors of the Company complies with the above requirement and apart from receiving sitting fees they had no any material pecuniary relationship with promoter or any subsidiary company. Further, none of person is serving as an independent director in more than seven listed companies.

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.

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.

Familiarisation Program for Independent Director

Pursuant 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, Morganite Crucible (India) Limited is committed to provide periodical familiarisation programs to Independent Directors relating to their roles, rights and responsibilities.

The policy and procedures, compliance report and other related documents has been provided to Board members and independent directors on periodically basis enable to understand the nature of business, insights on various aspects of the Company's performance and future action plans.

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

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 :

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 said policy is posted on the website and can be accessible on the weblink - http://www.morganmms.com/sites/default/files/whistle_blower_policy_-_june-15.pdf

BOARD COMMITTEES :

In compliance with the Clause 49 of the listing agreement and the Companies Act, 2013, the Board has constituted five committees such as Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee. All committees comprise combination of executive and non-executive members for better supervision and control.

AUDIT COMMITTEE :

The Audit Committee comprises of the following Directors:

1. Mr Sadanand Shabde – Chairman and Independent Director
2. Mr Hitesh Saiwal – Managing Director
3. Mr Subhash Kolapkar – Independent Director

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 22, 2014, August 12, 2014, November 11, 2014 and February 11, 2015.The details of attendance of the meeting are as follows:

Name	No. of meetings held	No. of meetings attended
Sadanand Shabde	4	4
Hitesh Saiwal	4	4
Subhash Kolapkar	4	4

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on September 25, 2014. 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 there on.
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. 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.
14. To review the functioning of the Whistle Blower mechanism.
15. 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 web link – **http://www.morganmms.com/sites/default/files/audit_committee_terms_of_reference_jun-15.pdf**

NOMINATION AND REMUNERATION COMMITTEE :

In terms of Section 178 (1) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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.	Sadanand Shabde	–	Chairman and Independent Director
2.	Stuart Cox	–	Director
3.	Subhash Kolapkar	–	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 was present at the Annual General Meeting held on September 25, 2015 to answer the shareholders queries.
   During the year under review, two meetings were held on November 11, 2014 and February 11, 2015 attended by Mr. Sadanand Shabde, Mr Stuart Cox and Mr. Subhash Kolapkar.

Details of Remuneration paid to Executive Director is as follows :

The Board has appointed Mr. Hitesh Saiwal as Managing Director of the Company w.e.f.1st February, 2013 as approved by the shareholders in the Annual General Meeting held on September 25, 2013.
The details of remuneration paid to Mr. Hitesh Saiwal during the financial year 2014-15as follows :

(Amt in INR)

Salary& Perquisites	4,438,148
Variable Pay	865,704
Total	**5,303,852**

Notes :

(a) The agreement with Mr. Hitesh Saiwal, Managing Director is for a period of 3 years. Further, either party is entitled to terminate the contract by giving not less than three months' notice in writing to the other party.

(b) Mr Hitesh Saiwal 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.

(c) The Company does not have a Stock Options scheme for the Directors or its senior management.

(d) Non-Executive Director is not holding any shares of the Company.

Sitting fees paid to Non-executive Directors during the financial year 2014-15 are given below :

Independent Director	**Sitting Fees** **(Amt in INR)**
Sadanand Shabde	80,000
Subhash Kolapkar	60,000

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

SUBSIDIARY COMPANY :

The Morganite Crucible (India) Limited 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, is a Director of DCCL.

The minutes of the Board meetings of DCCL were placed at every Board Meeting of the Company. The management periodically reviews a statement of all significant transactions and arrangements entered into by/with DCCL.

During the year under review, 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. Sadanand Shabde – Chairman and Independent Director
2. Hitesh Saiwal – Managing Director
3. Subhash Kolapkar – Independent Director

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

The Committee met three times during the year. During the year under review, the Company only received one complaint which was successfully addressed by the Committee.

Name	Attended
Sadanand Shabde	3
Hitesh Saiwal	3
Subhash Kolapkar	3

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE :

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

1. Mr. SadananadShabde - Chairman & Independent Director
2. Mr. Hitesh Saiwal - Managing Director
3. Mr. Stuart Cox - Director
4. Mr. Rupesh Khokle - Secretary

During the year under review, the committee met once on August 12, 2014.

Role and Function of CSR Committee :

The role and function 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 :

a. Mr. Sadanand Shabde - Independent Director
b. Mr. Hitesh Saiwal - Director
c. Mr. Stuart Cox - Director
d. Mr. Rupesh Khokle - Secretary

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, 2012	Registered Office of the Company: B-11,MIDC Industrial Area, Waluj, Aurangabad– 431136, Maharashtra, India	AGM	August 17, 2012	11.00 AM	None
March 31, 2013		AGM	September 25, 2013	11.00 AM	Yes
March 31, 2014		AGM	September 25, 2014	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 :

Details of related party transactions disclosed in detail in note no 36 to accounts annexed to the financial statements for the year. Adequate care was taken to ensure that the potential conflict of interest did not harm the interests of the Company at large.The Company has taken omnibus approval from the Audit Committee 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.

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 the Clause 49.

Training to Board Members :

The Company may train its Board Members in the business model of the Company as well as the risk profile of the business parameters of the Company, their responsibilities as directors, and the best ways to discharge them. The Independent Directors of the Company are individuals having long years of experience, knowledge and skill as well as being leaders in their respective fields. Similarly, the Managing Director & other Director's of the Board have rich experience in their respective fields. The Managing Director undergo training from time to time, both internal and external *interalia*, in the business model of the Company, the risk profile of the business of the Company and responsibilities as Directors of the Company.

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.

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 joined Managing Director of Morgan Molten System (MMS) division effective from 14th January, 2014, he is associated with Morgan since 2007 as the General Manager of Furnace Industries, Perth. Prior to this, Mr Ian Keith Arber had undertaken a number of roles with Morgan in Australia and in the Thermal Ceramics business in the United States. Mr Ian brings to this role a strong track-record of leading and growing businesses, both as a General Manager and as the Managing Director of Australia.

Ms MaithileeTambolkar : Ms MaithileeTambolkarhas completed professional education in bachelor of Engineering (Production) and Master in Business Administration from S P Jain College, Mumbai. Immediate after completion of her academics, she started to contribute in Sanjeev Auto in order to maximise organisation performance and efficiency since 2005. Currently, she is acting as Managing Director of Sanjeev Auto. Recently, she was awarded with "Udyogini Gaurav Award" presented by Maharashtra Industries Minister Mr Subhash Desai. This award was given as the recognition of significant contribution, made by Ms. Maithilee for the innovative technology practices in the field of auto parts manufacturing through Sanjeev Auto Parts.

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_lettter_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, 2015, was placed before the Board at its meeting held on August 13, 2015.

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.All official news release of relevance to the investors are also made available on the website of the Company. 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 30th Annual General Meeting :

Date & Time	:	September 22, 2015 at 11:00 AM
Venue	:	B-11, MIDC Area, Waluj, Aurangabad – 431 136, Maharashtra

b. Tentative Financial Calendar for the year 2015-16 :

Financial year	:	April 1, 2015 to March 31, 2016
First Quarter results	:	August 13, 2015
Half Yearly results	:	Second week of November, 2015
Third Quarter results	:	Second week of February, 2015
Results for year-end	:	Second week of May, 2016

c. Date of Book Closure :

September 16, 2015, Wednesday to September 22, 2015,Tuesday(both days inclusive)

d. Dividend :

The Board of Directors in its Board meeting held on May 25, 2015 has recommended a dividend Re. 1/- per equity share for the financial year 2014-15 subject to approval of shareholders which shall be paid on or before of October21, 2015.

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
2012-13	Re. 1	25/09/2013	24/10/ 2013	64,688
2011-12	Re. 1	17/08/2012	16/09/ 2012	2,029

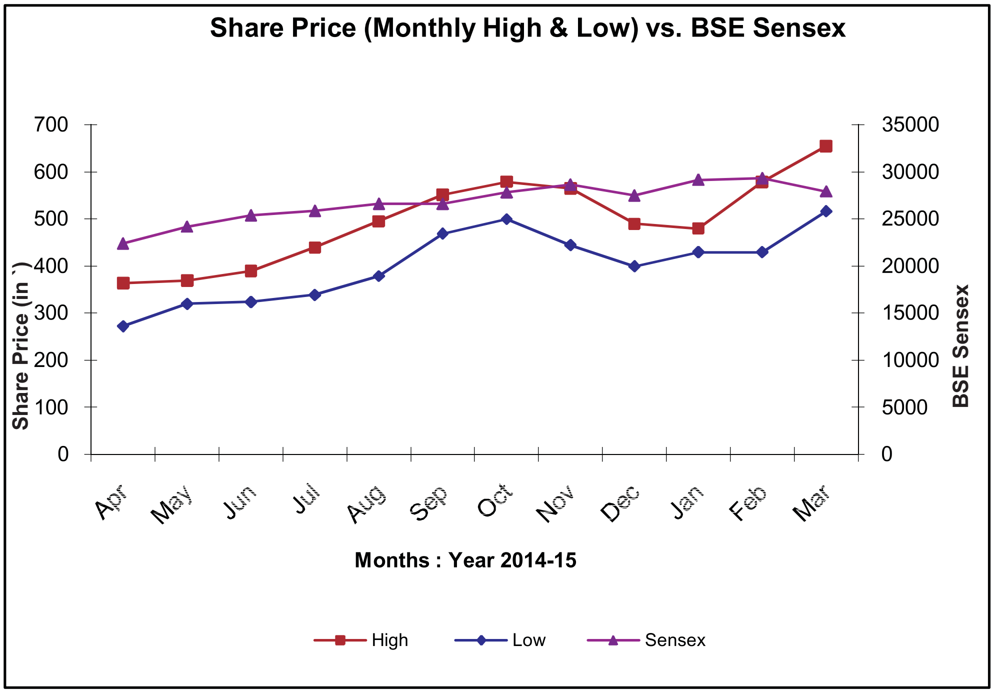
f. Listing Details:

Name of Stock Exchange	:	Bombay Stock Exchange Ltd.
Security Code	:	523160
ISIN Number	:	INE599F01012

The annual listing fee for the financial year 2014-15 has been duly paid to the above stock exchange.

g. Market Price Data :

Month	Open	High	Low	Close
Apr-14	278.40	363.95	273.00	355.45
May-14	369.90	369.90	320.00	335.00
Jun-14	334.75	390.00	324.05	354.10
Jul-14	339.00	439.60	339.00	402.00
Aug-14	382.70	495.00	379.00	457.90
Sep-14	469.00	551.00	469.00	539.85
Oct-14	551.00	579.00	500.00	505.00
Nov-14	528.00	565.20	445.00	453.65
Dec-14	435.00	489.65	400.00	441.00
Jan-15	462.90	480.00	430.00	453.70
Feb-15	445.00	578.70	430.00	578.70
Mar-15	607.00	654.50	516.50	548.00



h. Distribution of Shareholding as at March 31, 2015 :

Sr. No.	Particular	No. of Shares	No. of Share Holders	% of Share Capital
1	Promoter			
	a – Morganite Crucible Limited	10,78,000		
	b – Morgan Terreassen BV	10,22,000		
	Total	21,00,000	3	75.00
2	Institutions	25,774	6	0.92
3	Public			
	a – Body Corporates	69,166	78	
	b – Individual	592,711	2,303	
	c – Others	12,349	32	
	Total	700,000	2,175	24.08
	Grand Total	**28,00,000**	**2,422**	**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, 1,512,009 Equity Shares representing 46% of the total Equity Capital of the Company were held in dematerialized as on March 31, 2015.

j. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity : The Companyhas 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 thedocuments being valid and complete in all respects. A summary of transfer/ transmission of shares of the Company soapproved 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

For and on behalf of the Board,

Place: Aurangabad
Date: August 13, 2015

Sadanand V. Shabde (Chairman)

Aniruddha Karve (Managing Director)

CEO/CFO CERTIFICATION TO THE BOARD

(Under Clause 49 (IX) of Listing Agreement)

August 13, 2015

I Certify that

a. I have reviewed the financial statements and the cash flow statement for the year 2014-15 and that to the best of our knowledge and belief :

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- These statements together present a true and fair view of the Company'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 2014-15 which are fraudulent, illegal or violate 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 the 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 internal controls, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.

d. We have disclosed wherever applicable to the Auditors and the Audit Committee :

- Significant changes in internal control over the financial reporting during the year 2014-15.
- Significant changes in accounting policies during the year 2014-15, if any and that the same have been disclosed in the notes to the financial statements and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

Aniruddha Karve	Atithi Majumdar
(Managing Director)	(Cheif 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 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of 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 and presentation 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 of 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 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 and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements :

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the

paragraph 3 and 4 of the Order, to the extent applicable.

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 purpose 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 written representations received from the Directors as on 31 March 2015, and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on 31 March 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
   f. 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 long term contracts including derivative contracts for which there were any material foreseeable losses.
      iii) There were no amounts which were 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

Aniruddha Godbole
Partner
Membership No: 105149

Place : Mumbai
Date : 25 May 2015

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 Morganite Crucible (India) Limited ('the Company') on the standalone financial statements for the year ended 31 March 2015 of even date, we report that :

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all 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 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.

(ii) (a) 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.

(b) In our opinion and according to the information and explanations given to us, the procedures for the physical verification of inventory followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company has maintained proper records of inventory. 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 or other parties covered in the register required to be maintained under Section 189 of the Act. Accordingly, paragraphs 3 (iii) (a) and 3 (iii) (b) of the order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchase of certain items of inventories are for the Company's specialized requirements and similarly the sale of certain goods are for the specialized requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventories and fixed assets and with regard to sale of goods. The Company's activities do not involve rendering of services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.

(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) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(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, Value added tax, Service tax, duty of Customs, duty of Excise and other statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the company did not have any dues on account of wealth tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales tax, Value added tax, Service tax, duty of Customs, duty of Excise and other statutory dues were in arrears as at 31 March 2015 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, Wealth tax, Service tax, duty of Customs, and duty of Excise which have not been deposited with the appropriate authorities on account of any dispute.

(c) According to the information and explanations given to us there are no amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules thereunder.

(viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(ix) 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 or debenture holders during the year.

(x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xi) The Company did not have any term loans outstanding during the year.

(xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Aniruddha Godbole
Partner
Membership No: 105149

Place : Mumbai
Date : 25 May 2015

Morganite Crucible (India) Limited

Balance Sheet
as at 31 March 2015

(Currency : Indian rupees)

	Notes	**31 March 2015**	31 March 2014
Equity and liabilities			
Shareholders' funds			
Share capital	3	**28,000,000**	28,000,000
Reserves and surplus	4	**583,594,954**	528,214,463
		611,594,954	556,214,463
Non-current liabilities			
Deferred tax liability (net)	5	**1,409,713**	20,616,402
		1,409,713	20,616,402
Current liabilities			
Trade payables	6	**101,382,327**	212,036,018
Other current liabilities	7	**22,463,627**	21,573,640
Short-term provisions	8	**13,260,907**	11,266,040
		137,106,861	244,875,698
		750,111,528	821,706,563
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	**164,547,068**	208,892,475
Intangible assets	9	**13,551,416**	21,925,093
Capital work-in-progress	9	**10,157,015**	1,239,975
Non-current investments	10	**49,698,740**	49,698,740
Long-term loans and advances	11	**85,861,897**	74,057,689
		323,816,136	355,813,972
Current assets			
Inventories	12	**123,657,456**	142,752,747
Trade receivables	13	**120,399,358**	134,524,442
Cash and bank balances	14	**121,327,976**	129,734,919
Short-term loans and advances	15	**53,550,360**	52,963,708
Other current assets	16	**7,360,242**	5,916,775
		426,295,392	465,892,591
		750,111,528	821,706,563
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

Aniruddha Godbole
Partner
Membership No : 105149
Place : Mumbai
Date : 25 May 2015

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

Sadanand Shabde
Director
Place : Aurangabad
Date : 25 May 2015

Ian Arber
Director
Place : Aurangabad
Date : 25 May 2015

Atithi Majumdar
Chief Financial Officer
Place : Aurangabad
Date : 25 May 2015

Rupesh Khokle
Company Secretary
Place : Aurangabad
Date : 25 May 2015

Morganite Crucible (India) Limited

Statement of Profit and Loss

for the year ended 31 March 2015

(Currency : Indian rupees)

	Notes	31 March 2015	31 March 2014
Revenue from operations			
Sale of products (gross)		**906,760,221**	823,688,839
Less: Excise duty		**31,339,016**	29,985,312
Sale of products (net)	17	**875,421,205**	793,703,527
Other operating revenues	18	**11,604,508**	12,031,657
		887,025,713	805,735,184
Other income	19	**5,847,313**	19,825,704
Total revenue		**892,873,026**	825,560,888
Expenses			
Cost of materials consumed	20	**345,183,715**	336,830,204
Changes in stocks of finished goods and work-in-progress	21	**91,205**	(3,153,243)
Employee benefits expense	22	**107,159,456**	92,611,084
Finance costs	23	**74,168**	3,438,536
Depreciation and amortisation expense	24	**78,725,541**	46,567,407
Other expenses	25	**254,562,749**	215,311,784
		785,796,834	691,605,772
Profit before tax		**107,076,192**	133,955,116
Tax expense:			
Current tax		**55,852,000**	41,998,524
Deferred tax (credit) / charge		**(18,500,713)**	3,078,884
Short provision of earlier years		**9,504,450**	4,649,093
Profit for the year		**60,220,455**	84,228,615
Earnings Per Share: (face value of Rs 10 per share)	38		
Basic (Rs.)		**21.51**	30.08
Diluted (Rs.)		**21.51**	30.08
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

Aniruddha Godbole
Partner
Membership No : 105149
Place : Mumbai
Date : 25 May 2015

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

Sadanand Shabde
Director
Place : Aurangabad
Date : 25 May 2015

Ian Arber
Director
Place : Aurangabad
Date : 25 May 2015

Atithi Majumdar
Chief Financial Officer
Place : Aurangabad
Date : 25 May 2015

Rupesh Khokle
Company Secretary
Place : Aurangabad
Date : 25 May 2015

Morganite Crucible (India) Limited

Cash Flow Statement

for the year ended 31 March 2015

(Currency: Indian rupees)

	31 March 2015	31 March 2014
Cash flow from operating activities		
Net Profit before tax	**107,076,192**	133,955,116
Non-cash adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	**78,725,541**	46,567,407
Loss on sale / write off of fixed assets	**1,225,413**	1,435,943
Unrealised foreign exchange loss	**4,514,036**	429,877
Finance costs	**74,168**	-
Interest income	**(3,818,328)**	(4,765,186)
	80,720,830	43,668,041
Operating cash flow before changes in working capital	**187,797,022**	177,623,157
Changes in working capital		
Decrease / (increase) in inventories	**19,095,291**	(11,217,317)
Decrease in trade receivables	**14,125,084**	5,298,431
Increase in short-term loans & advances	**(586,652)**	(14,448,552)
Increase in long-term loans & advances	**(13,057,387)**	(21,301,557)
Increase in other current assets	**(983,318)**	(2,203,980)
Decrease in other current liabilities	**(620,649)**	(20,927,901)
Decrease in trade payable	**(110,653,691)**	(6,318,477)
Increase in short term provision	**3,027,873**	4,971,902
	(89,653,449)	(66,147,451)
Cash generated from operations	**98,143,573**	111,475,706
Taxes paid	**(64,776,439)**	(53,420,270)
Net cash from operating activities (A)	**33,367,134**	58,055,436
Cash flow from investing activities		
Purchase of fixed assets, including expenditure on capital work in progress	**(37,860,705)**	(23,124,685)
Proceeds from sale of fixed assets	**592,513**	(1,463,264)
Movement in fixed deposits (net)	**19,913,039**	-
Interest received	**3,358,179**	4,781,896
Net cash (used in) investing activities (B)	**(13,996,974)**	(19,806,053)
Cash flow from financing activities		
Finance costs paid	**(74,168)**	-
Dividend paid	**(2,800,000)**	(2,735,141)
Dividend tax paid	**(475,860)**	(475,860)
Net cash (used in) financing activities (C)	**(3,350,028)**	(3,211,001)
Net increase in cash and cash equivalents (A+B+C)	**16,020,132**	35,038,382
Effect of exchange differences on cash and cash equivalents held in foreign currency	**(4,514,036)**	(429,877)
Cash and cash equivalents at the beginning of the year	**109,739,315**	75,130,810
Cash and cash equivalents at the end of the year (refer schedule 14)	**121,245,411**	109,739,315

Morganite Crucible (India) Limited

Cash Flow Statement *(Continued)*

for the year ended 31 March 2015

(Currency: Indian rupees)

Notes

	31 March 2015	31 March 2014	31 March 2013
1 Components of Cash and Cash Equivalents			
Cash on hand	**949**	23,830	3,356
Cheques on hand	**-**	578,857	-
Bank balances		-	
- In current accounts	**58,159,375**	85,810,962	43,819,445
- Export Earner's Foreign Currency account (EEFC)	**63,085,087**	23,325,666	31,308,009
Total Cash and Cash Equivalents	**121,245,411**	109,739,315	75,130,810

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.

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

Aniruddha Godbole
Partner
Membership No : 105149
Place : Mumbai
Date : 25 May 2015

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

Sadanand Shabde
Director
Place : Aurangabad
Date : 25 May 2015

Ian Arber
Director
Place : Aurangabad
Date : 25 May 2015

Atithi Majumdar
Chief Financial Officer
Place : Aurangabad
Date : 25 May 2015

Rupesh Khokle
Company Secretary
Place : Aurangabad
Date : 25 May 2015

Notes to the financial statements

for the year ended 31 March 2015

(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, its accessories and die lubes.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, except for the change in accounting estimate as explained in note 2.5 below.

2.1 Basis of preparation of financial statements

The 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 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.

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
	Computers	3 years
Vehicles	Vehicles	8 years
Office equipment	Office equipment	5 years
Furniture and fixtures	Furniture and fixtures	10 years

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets.

The Company has used transitional provisions of Schedule II to adjust the impact of its first application. If a tangible fixed asset has Nil remaining useful life on the date of Schedule II becoming effective, i.e., 1 April 2014, its carrying amount, after retaining any residual value, is charged to the opening balance of retained earnings. The carrying amount of other tangible fixed assets, i.e., tangible fixed assets whose remaining useful life is not nil on 1 April 2014, is depreciated over their remaining useful life.

The Company has accounted for additional charge of depreciation of Rs. 32,245,779 for the year ended 31 March 2015 and Rs 1,469,940 (net of deferred tax) in reserves in terms of transitional provisions of Schedule II of the Companies Act, 2013. Had the Company continued with the previously assessed useful lives, charge for depreciation would have been lower by Rs. 32,245,779 for the year ended 31 March 2015, the profit before tax for the year would have been higher by Rs. 32,245,779, retained earnings at the beginning of the year would have been higher by Rs. 1,469,940 and the fixed asset would correspondingly have been higher by Rs. 34,421,695.

(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 2015

(Currency : Indian rupees)

	31 March 2015	31 March 2014
3 Share capital		
Authorised capital :		
5,000,000 (2014 : 5,000,000) equity shares of Rs. 10 each	**50,000,000**	50,000,000
Issued		
2,800,000 (2014: 2,800,000) equity shares of Rs 10 each, fully paid-up	**28,000,000**	28,000,000
Subscribed and paid-up		
2,800,000 (2014: 2,800,000) equity shares of Rs 10 each, fully paid-up	**28,000,000**	28,000,000

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

	31-Mar-15		31-Mar-14	
	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. 1 (2014: 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 2015		31 March 2014	
	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%**	1078000	38.50%
Morgan Terreassen BV, subsidiary of the ultimate holding company.	**1,022,000**	**36.50%**	1022000	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.

Notes to the financial statements *(Continued)*

as at 31 March 2015

(Currency : Indian rupees)

		31 March 2015	31 March 2014
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	**442,222,463**	361,269,708
	Less : Adjustment on account of revised useful life of fixed assets *(refer note 2.5)*	**1,469,940**	
	Add: Profit after tax for the year	**60,220,455**	84,228,615
	Amount available for appropriation	**500,972,978**	445,498,323
	Less : Appropriations		
	Proposed equity dividend	**(2,800,000)**	(2,800,000)
	Dividend distribution tax	**(570,024)**	(475,860)
	Net surplus in statement of profit and loss	**497,602,954**	442,222,463
	Total reserves and surplus	**583,594,954**	528,214,463
5	**Deferred tax liabilities (net)**		
	Deferred tax liabilities		
	Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged in the financial statements	**1,862,851**	19,183,720
	Provision for employee benefits	**-**	1,432,682
	Deferred tax asset		
	Provision for employee benefits	**453,138**	-
	Net deferred tax liabilities	**1,409,713**	20,616,402
		-	-
6	**Trade payables**		
	- Dues to micro, small and medium enterprises *(refer note 39)*	**2,773,106**	1,582,693
	- Dues to others	**98,609,221**	210,453,325
		101,382,327	212,036,018

Notes to the financial statements *(Continued)*

as at 31 March 2015

(Currency : Indian rupees)

7 Other current liabilities

	31 March 2015	31 March 2014
Unclaimed dividend *(refer note below)*	**66,718**	66,718
Advances received from customers	**1,371,534**	776,620
Deposits	**356,000**	442,000
Employee benefits payable	**8,640,261**	8,881,476
Statutory dues to:		
- Provident and other funds	**743,484**	674,848
- Others:		
Customs duty	**586,289**	528,113
Professional tax	**27,900**	31,075
Excise duty on closing stock of finished goods	**4,414,162**	4,624,143
Tax deducted at source	**8,384**	810,388
Creditors for capital goods	**6,248,895**	4,738,259
	22,463,627	21,573,640

Note - There are no amounts due to the Investor Education and Protection Fund.

8 Short-term provisions

	31 March 2015	31 March 2014
Provision for employee benefits:		
Compensated absences	**2,659,326**	813,585
Other provisions		
Warranties *(refer note 42)*	**7,231,557**	6,049,425
Proposed dividend	**2,800,000**	2,800,000
Dividend distribution tax	**570,024**	475,860
Income-tax *(net of advance taxes paid)*	**-**	1,127,170
	13,260,907	11,266,040

Morganite Crucible (India) Limited

Notes to the financial statements *(Continued)*
as at 31 March 2015

(Currency : Indian rupees)

9 Fixed assets

	Tangible Assets							Intangible Assets				Total Fixed Assets
	Land - Leasehold	Building	Plant and equipments	Vehicles	Office equipments	Furniture and fixtures	Total tangible assets	Software	Non-competition agreement	Distribution Rights	Total intangible assets	
Gross Block												
Balance as at 1 April 2013	1,684,375	59,285,790	375,022,703	581,072	1,576,946	3,522,304	441,673,190	16,345,032	2,924,924	48,720,587	67,990,543	509,663,733
Additions	-	4,721,964	18,939,915	-	2,048,127	251,998	25,962,004	2,484,595	-	-	2,484,595	28,446,599
Deletions	-	-	4,056,966	-	-	-	4,056,966	-	-	-	-	4,056,966
Balance as at 31 March 2014	**1,684,375**	**64,007,754**	**389,905,652**	**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	22,610,246	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**	**411,480,915**	**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**
Depreciation												
Balance as at 1 April 2013	478,039	17,327,201	199,671,843	153,147	242,106	1,381,861	219,254,197	3,000,321	2,924,924	34,109,972	40,035,217	259,289,414
Depreciation for the year	17,014	2,781,719	34,759,948	55,202	204,534	234,162	38,052,579	3,642,768	-	4,872,060	8,514,828	46,567,407
Accumulated depreciation on disposals	-	-	2,621,023	-	-	-	2,621,023	-	-	-	-	2,621,023
Balance as at 31 March 2014	**495,053**	**20,108,920**	**231,810,768**	**208,349**	**446,640**	**1,616,023**	**254,685,753**	**6,643,089**	**2,924,924**	**38,982,032**	**48,550,045**	**303,235,798**
Depreciation for the year	17,014	3,094,599	65,439,691	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	-	665,952	371,932	-	-	-	1,037,884	-	-	-	-	1,037,884
Adjustment - Charge against opening reserves (refer note 2.5)	-	-	1,674,533	-	360,287	141,096	2,175,916	-	-	-	-	2,175,916
Balance as at 31 March 2015	**512,067**	**22,537,567**	**298,553,060**	**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**
Net Block												
As at 31 March 2014	1,189,322	43,898,834	158,094,884	372,723	3,178,433	2,158,279	208,892,475	12,186,538	-	9,738,555	21,925,093	230,817,568
As at 31 March 2015	**1,172,308**	**44,042,699**	**112,927,855**	**328,082**	**3,168,332**	**2,907,792**	**164,547,068**	**8,684,920**	**-**	**4,866,496**	**13,551,416**	**178,098,484**
Capital work-in-progress												
Balance as at 1 April 2013	-	-	1,239,975	-	-	-	1,239,975	-	-	-	-	1,239,975
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2014	**-**	**-**	**1,239,975**	**-**	**-**	**-**	**1,239,975**	**-**	**-**	**-**	**-**	**1,239,975**
Additions	-	-	8,917,040	-	-	-	8,917,040	-	-	-	-	8,917,040
Assets capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2015	**-**	**-**	**10,157,015**	**-**	**-**	**-**	**10,157,015**	**-**	**-**	**-**	**-**	**10,157,015**

Notes to the financial statements *(Continued)*
as at 31 March 2015

(Currency : Indian rupees)

		31 March 2015	31 March 2014
10	**Non-current investments**		
	(Valued at cost unlesss stated otherwise)		
	Unquoted trade investment		
	Investment in equity instruments in subsidiary company		
	17,850 (2014 : 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**	242,550
	Security deposits	**2,013,151**	2,033,401
	Value added tax receivable	**26,396,391**	36,232,291
	Interest receivable on VAT refund	**-**	1,853,190
	Cenvat credit receivable	**42,816,682**	18,049,955
	Advance taxes paid *(net of provisions)*	**13,939,121**	15,646,302
		85,861,897	74,057,689
12	**Inventories**		
	(At lower of cost and net realisable value - also refer note 2.10)		
	Raw materials and packing materials *(refer note 33)*	**53,187,569**	68,064,507
	[Including goods-in-transit Rs.3,586,917 (2014 : Rs.6,108,127)]		
	Work-in-progress *(refer note 21)*	**25,905,331**	27,689,749
	Finished goods *(refer note 21)*	**39,897,668**	38,204,455
	[Including goods-in-transit Rs. 9,896,952 (2014 : Rs.13,182,627)]		
	Stores and spares	**4,666,888**	8,794,036
		123,657,456	142,752,747
13	**Trade receivables**		
	(Unsecured, considered good)		
	Outstanding for a period exceeding six months from the date they are due for payment	**8,955,929**	3,905,862
	Others	**111,443,429**	130,618,580
		120,399,358	134,524,442

Notes to the financial statements *(Continued)*
as at 31 March 2015

(Currency : Indian rupees)

	31 March 2015	31 March 2014
14 Cash and bank balances		
Cash and cash equivalents		
- Cash on hand	**949**	23,830
- Cheques on hand	**-**	578,857
- Bank balances		
- In current accounts	**58,159,375**	85,810,962
- Export Earner's Foreign Currency account (EEFC)	**63,085,087**	23,325,666
	121,245,411	109,739,315
Other bank balances		
- Unpaid dividend accounts	**66,718**	66,718
- Fixed deposits with maturity more than three months from deposit date but less than twelve months from the balance sheet date.	**15,847**	19,928,886
	121,327,976	129,734,919
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	**121,244,462**	109,136,628
Bank deposits due to mature within twelve months of reporting date included under 'Other bank balances	**82,565**	19,995,604
	121,327,027	129,132,232
15 Short-term loans and advances		
(Unsecured, considered good)		
To parties other than related parties		
Advance to suppliers	**5,991,501**	8,949,759
Prepaid expenses	**4,283,224**	3,748,696
Value added tax receivable	**9,992,590**	-
Cenvat credit receivable	**31,691,610**	34,608,000
Gratuity fund with Life Insurance Corporation of India *(refer note 34)*	**1,349,983**	5,229,310
Loans to employees	**241,452**	427,943
	53,550,360	52,963,708
16 Other current assets		
Interest accrued on :		
- deposits with banks	**-**	738,261
- VAT refund	**1,198,410**	-
Duty drawback receivable	**6,042,025**	4,962,333
Insurance claim receivable	**119,807**	216,181
	7,360,242	5,916,775

Notes to the financial statements *(Continued)*

for the year ended 31 March 2015

(Currency : Indian rupees)

		31 March 2015	31 March 2014
17	**Revenue from operations**		
	Sale of products (gross)	**906,760,221**	823,688,839
	Less: Excise duty	**31,339,016**	29,985,312
	Sale of products (net)	**875,421,205**	793,703,527
	Break-up of revenue from sale of products		
	Crucibles	**869,451,344**	781,015,257
	Die-Lube	**5,969,861**	12,688,270
		875,421,205	793,703,527
18	**Other operating revenues**		
	Sale of scrap	**960,272**	1,279,396
	Duty drawback on exports	**10,644,236**	10,752,261
		11,604,508	12,031,657
19	**Other income**		
	Interest income on:		
	- Deposits with banks	**3,714,402**	4,765,186
	-VAT refund	**-**	1,853,190
	-Delayed payment by customers	**103,926**	703,137
	Net gain on account of foreign exchange fluctuations	**-**	11,855,940
	Miscellaneous income	**2,028,985**	648,251
		5,847,313	19,825,704
20	**Cost of materials consumed**		
	Inventory of materials at the beginning of the year	**68,064,507**	61,555,910
	Purchases	**330,306,777**	343,338,801
	Inventory of materials at the end of the year *(refer note 33)*	**53,187,569**	68,064,507
		345,183,715	336,830,204
21	**Changes in stocks of finished goods and work in progress**		
	Inventory at the end of the year		
	Finished goods - Crucibles	**39,897,668**	38,204,455
	Work in progress - Crucibles	**25,905,331**	27,689,749
	Inventory at the beginning of the year		
	Finished goods - Crucibles	**38,204,455**	43,403,391
	Work in progress - Crucibles	**27,689,749**	19,337,570
		91,205	(3,153,243)
22	**Employee benefits expense**		
	Salaries, wages and bonus	**93,503,287**	83,376,368
	Contribution to provident and other funds *(refer note 34)*	**5,375,735**	4,964,801
	Gratuity *(refer note 34)*	**3,900,396**	-
	Staff welfare expenses	**4,380,038**	4,269,915
		107,159,456	92,611,084

Notes to the financial statements
for the year ended 31 March 2015

(Currency : Indian rupees)

		31 March 2015	31 March 2014
23	**Finance costs**		
	Interest expense on VAT assessments	**74,168**	3,438,536
		74,168	3,438,536
24	**Depreciation and amortisation**		
	Depreciation of tangible fixed assets *(refer note 2.5)*	**70,040,864**	38,052,579
	Amortisation of intangible fixed assets	**8,684,677**	8,514,828
		78,725,541	46,567,407
25	**Other expenses**		
	Consumption of stores and spares	**6,088,094**	6,431,088
	Decrease in excise duty on inventory of finished goods	**(210,040)**	(388,529)
	Power and fuel	**70,061,059**	81,964,143
	Repairs to buildings	**985,657**	1,841,307
	Repairs to machinery	**13,658,274**	13,513,429
	Repairs others	**2,592,851**	3,613,960
	Rent	**4,380,494**	4,510,967
	Rates and taxes	**716,793**	2,945,621
	Travelling and motor car expenses	**9,881,901**	9,731,686
	Legal and professional fees	**3,927,820**	3,737,860
	Insurance	**1,550,619**	1,446,698
	Payment to auditor *(refer note 27)*	**2,060,667**	1,517,340
	Sales commission	**4,068,641**	3,865,717
	Directors' sitting fees	**140,000**	120,000
	Royalty/Trademark charges	**5,987,022**	5,048,638
	Management charges *(includes prior period expense of Rs. 6,980,000 (2014 : Rs. Nil))*	**67,296,700**	40,983,691
	No claim compensation	**1,217,442**	1,015,042
	Business development and promotional expenses	**12,100,300**	1,020,990
	SAP training and maintenance expenses	**6,785,162**	2,104,865
	Loss on sale / retirement of fixed assets	**1,225,413**	1,435,943
	Freight outward	**11,938,644**	12,395,667
	Bank charges	**953,314**	1,161,036
	Watch and ward	**2,845,626**	3,106,265
	Net loss on account of foreign exchange fluctuations	**10,379,436**	-
	Miscellaneous expenses	**13,930,860**	12,188,360
		254,562,749	215,311,784

Notes to the financial statements *(Continued)*

for the year ended 31 March 2015

(Currency : Indian rupees)

26 Contingent liabilities and commitments

Contingent Liabilities:	**31 March 2015**	31 March 2014
a. Bonds in favour of the President of India endorsed through Deputy Commissioner of Customs for import of goods.	**10,000,000**	10,000,000
b. 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.	-	-
c. Disputed employees' state insurance demand against which the Company has preferred appeals.	**52,498**	52,498
d. 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 is in process of filing an appeal for the same. *(excluding interest and penalty)	**1,896,472**	-

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	**229,885**	558,701

27 Payment to auditors (excluding service tax)

Particulars		
As auditor		
Statutory audit	**850,000**	425,000
Tax audit	**100,000**	100,000
Limited review of quarterly results	**600,000**	600,000
Certification fees	**50,000**	50,000
In other capacity		
Audit of group reporting package	**300,000**	300,000
Reimbursement of expenses	**160,667**	42,340
	2,060,667	1,517,340

28 C.I.F. value of imports

Particulars		
Raw materials	**133,930,207**	138,273,310
	133,930,207	138,273,310

Notes to the financial statements *(Continued)*

for the year ended 31 March 2015

(Currency : Indian rupees)

29 Expenditure in foreign currency

Particulars	31 March 2015	31 March 2014
Royalty/Trademark charges	**5,987,022**	5,048,638
Professional and consultancy fees	**231,155**	237,094
Others :		
Management charges	**67,296,700**	40,983,691
Sales commission	**2,868,641**	2,206,653
Travelling and motor car expenses	**1,252,891**	597,098
Repairs to machinery	**-**	81,809
Total	**77,636,409**	49,154,983

30 Earnings in foreign currency

Particulars	31 March 2015	31 March 2014
FOB value of exports	**608,109,058**	526,941,281
	608,109,058	526,941,281

31 Imported and indigenous raw material and packing material consumed

	31 March 2015		31 March 2014	
Particulars	**Value**	**% of total consumption**	Value	% of total consumption
Imported	**146,920,996**	**43%**	152,711,343	45%
Indigenous	**198,262,719**	**57%**	184,118,861	55%
Total	**345,183,715**	**100%**	336,830,204	100%

32 Imported and indigenous stores and spares consumed

	31 March 2015		31 March 2014	
Particulars	**Value**	**% of total consumption**	Value	% of total consumption
Imported	**-**	**0%**	-	0%
Indigenous	**6,088,094**	**100%**	6,431,088	100%
Total	**6,088,094**	**100%**	6,431,088	100%

33 Break up of cost of materials consumed**

Particulars	**31 March 2015**	31 March 2014
Silicon carbide	**82,304,968**	80,531,352
Graphite	**93,111,708**	96,500,463
Resin	**37,192,617**	38,251,976
Packing material	**27,460,998**	28,527,540
Others	**105,113,424**	93,018,873
Total	**345,183,715**	336,830,204

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

Break up of inventory of raw materials

Particulars		
Silicon carbide	**2,768,699**	4,619,903
Graphite	**22,383,221**	29,749,697
Resin	**2,340,169**	2,760,572
Packing material	**2,287,069**	2,435,924
Others	**23,408,411**	28,498,411
Total	**53,187,569**	68,064,507

Notes to the financial statements *(Continued)*

for the year ended 31 March 2015

(Currency: Indian Rupees)

34 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. 5,375,735 (2014: Rs. 4,964,801).

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 2015**	31 March 2014
Fair value of plan assets	**17,528,533**	16,525,719
Present value of obligation	**(16,178,550)**	(11,296,409)
Net asset recognized in balance sheet	**1,349,983**	5,229,310

Classification into current / non-current

The asset / (liability) in respect of the gratuity plan comprises of the following non-current and current portions

	Non-Current		Current	
Particulars	**31 March 2015**	31 March 2014	**31 March 2015**	31 March 2014
Gratuity	**-**	-	**1,349,983**	5,229,310
Total	**-**	-	**1,349,983**	5,229,310

Composition of plan assets

Particulars	**31 March 2015**	31 March 2014
Insurer Managed Funds	**17,528,533**	16,525,719

Movement in present values of defined benefit obligations

Particulars	**31 March 2015**	31 March 2014
Defined benefit obligation at the beginning of the year	**11,296,409**	10,917,052
Interest cost	**1,051,696**	900,657
Current service cost	**978,919**	1,036,027
Benefits paid	**(370,384)**	(431,712)
Actuarial (gain)/loss on obligations	**3,221,910**	(1,125,615)
Present value of obligation as at the end of the year	**16,178,550**	11,296,409

Movement in fair value of plan assets

Fair value of plan assets at the beginning of the year	**16,525,719**	11,970,033
Expected return on plan assets	**1,437,738**	1,041,393
Actuarial gain on plan assets	**(138,555)**	106,920
Contributions	**74,015**	3,839,085
Benefits paid	**(370,384)**	(431,712)
Fair value of plan assets as at the end of the year	**17,528,533**	16,525,719

Expense recognized in the Statement of Profit and Loss

Particulars		
Current service cost	**978,919**	1,036,027
Interest cost	**1,051,696**	900,657
Expected return on plan assets	**(1,437,738)**	(1,041,393)
Net actuarial (gain)/loss recognized in the year	**3,360,465**	(1,232,535)
Total included in '(miscellaneous income)' / 'employee benefits expense'	**3,953,342**	(337,244)

Actual return on plan assets

Particulars		
Expected return on plan assets	**1,437,738**	1,041,393
Actuarial gains on plan assets	**(138,555)**	106,920
Actual return on plan assets	**1,299,183**	1,148,313

Notes to the financial statements *(Continued)*

for the year ended 31 March 2015

(Currency: Indian Rupees)

34 Employee benefits – Post employment benefit plans *(Continued)*

Defined benefit plans ***(Continued)***

Gratuity ***(Continued)***

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 2015**	31 March 2014
Discount rate	**7.96%**	9.31%
Salary escalation	**7.00%**	7.00%
Rate of return on plan assets	**8.70%**	8.70%
Attrition rate	**2.00%**	2.00%

a) 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.

b) 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.

c) 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.

d) 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	**2015**	2014	2013	2012	2011
Defined benefit obligation	**16,178,550**	11,296,409	10,917,052	7,988,192	7,852,135
Fair value of plan assets	**17,528,533**	16,525,719	11,970,033	8,133,635	7,154,408
(Surplus)/deficit in the plan	**(1,349,983)**	(5,229,310)	(1,052,981)	(145,443)	697,727
Experience adjustment on plan liabilities	**1,111,298**	233,102	1,337,063	(237,462)	(1,588,480)
Experience adjustment on plan assets	**(138,555)**	(106,920)	(144,194)	(85,251)	(34,584)

Morganite Crucible (India) Limited

Notes to the financial statements *(Continued)*
for the year ended 31 March 2015

(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 2015						31 March 2014					
	India	Outside India				Total	India	Outside India				Total
		Asia and Far East	Europe	Africa and Middle East	Other			Asia and Far East	Europe	Africa and Middle East	Other	
Revenue from external customers	**244,287,079**	**152,813,884**	**216,207,534**	**141,973,117**	**120,139,592**	**875,421,205**	235,136,554	135,599,195	199,507,470	148,421,128	75,039,180	793,703,527
Carrying amount of segment assets (Trade receivables only)	**5,502,696**	**65,667,619**	**33,298,603**	**9,754,221**	**6,176,219**	**120,399,358**	53,411,413	16,738,224	36,332,597	19,537,765	8,504,443	134,524,442
Addition to fixed assets during the year	**38,917,339**	**-**	**-**	**-**	**-**	**38,917,339**	28,446,599	-	-	-	-	28,446,599

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)
Morgan Terreassen BV (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 — Diamond Crucible Company Limited

ii. Fellow subsidiary companies —
Morganite Crucible Inc., USA
Morgan Molten Metal System GMBH Germany
Morgan Molten Metal System (Suzhou) Co Ltd., China
Morgan Karbon Grafit Sanayi Turkey
Thermal Ceramics UK
Murugappa Morganite Thermal Ceramics Ltd.
Thermal Ceramics South Africa

d. Key Management Person —
Mr. Hitesh Saiwal – Managing Director (upto 30 April 2015)
Mr Atithi Majumdar - Chief Financial Officer
Mr Rupesh Khokle - Company Secretary

Details of Remuneration paid and amount outstanding as at 31 March 2015 to above mentioned Key Managerial Personnel

Name of the person	Remuneration paid		Outstanding payables	
	31-Mar-15	31-Mar-14	**31-Mar-15**	31-Mar-14
Mr. Hitesh Saiwal	**5,303,852**	3,976,692	**1,082,124**	-
Mr Atithi Majumdar	**1,835,120**	1,232,100	**425,677**	144,444
Mr. Rupesh Khokle	**844,541**	485,651	**132,600**	37,500

Morganite Crucible (India) Limited

Notes to the financial statements ***(Continued)***
for the year ended 31 March 2015

(Currency: Indian Rupees)

36 Related party disclosures ***(Continued)***

Related party transactions for the year ended 31 March 2015

Particulars	Ultimate Holding Company	Investing Associates		Subsidiary	Fellow Subsidiaries						
	Morgan Advanced Materials Plc	Morganite Crucible Limited	Morgan Terrassen BV	Diamond Crucible Company Limited	Morganite Crucible Inc., USA	Morgan Molten Metal Sys GMBH Germany	Morgan Molten Metal System (Suzhou) Co Ltd., China	Morgan Karbon Grafit Sanayi Turkey	Thermal Ceramics UK	Murugappa Morganite Thermal Ceramics Ltd. India	Thermal Ceramics South Africa
Income											
Sale of finished goods	-	-	-	4,307,571	99,941,324	90,886,075	2,713,259	1,883,893	-	-	55,512,545
Reimbursement of various expenses	-	-	-	488,191	-	9,507,403	15,820,175	-	-	-	37,307
Expenditure											
Purchase of raw materials (including goods in transit)	-	-	-	10,097,500	-	277,228	262,650	-	47,556	372,500	-
Purchased of spares / consumables	-	-	-		-		-	-		675,000	-
Capital Goods purchase	-	-	-	48,000	-	-	-	-	-	1,860,000	-
Management charges	67,296,700	-	-	-	-	-	-	-	-	-	-
Royalty	5,987,022	-	-	-	-	-	-	-	-	-	-
Managerial remuneration											
Others											
Dividend paid	-	1,078,000	1,022,000	-	-	-	-	-	-	-	-
Outstanding Balances as at 31 March 2014											
Receivables	-	-	-	684,461	4,468,394	17,433,441	1,436,152	-	-	-	8,132,492
Payables	49,808,827	-	-	1,747,173	-	-	92,233	-	38,016	376,267	-

Morganite Crucible (India) Limited

Notes to the financial statements *(Continued)*
for the year ended 31 March 2015

(Currency: Indian Rupees)

36 Related party disclosures *(Continued)*

Related party transactions for the year ended 31 March 2014

Particulars	Ultimate Holding Company	Investing Associates		Subsidiary	Fellow Subsidiaries						
	Morgan Advanced Materials Plc	Morganite Crucible Limited	Morgan Terrassen BV	Diamond Crucible Company Limited	Morganite Crucible Inc., USA	Morgan Molten Metal Sys GMBH Germany	Morgan Molten Metal System (Suzhou) Co Ltd., China	Morgan Karbon Grafit Sanayi Turkey	Thermal Ceramics UK	Murugappa Morganite Thermal Ceramics Ltd. India	Thermal Ceramics South Africa
Income											
Sale of finished goods	-	-	-	978,225	71,092,561	78,347,260	508,513	1,023,320	-	-	49,644,959
Reinmbursement of various expenses	-	-	-	399,662	183,183	10,797,531	-	-	-	-	-
Expenditure											
Purchase of raw materials (including goods in transit)	-	-	-	6,547,217	-	16,386	-	-	229,543	-	-
Purchased of spares / consumables	-	-	-	-	-	-	-	-	-	2,342,790	-
Capital Goods purchase	-	-	-	280,500	-	-	-	-	-	-	-
Management charges	40,983,691	-	-	-	-	-	-	-	-	-	-
Royalty	5,048,638	-	-	-	-	-	-	-	-	-	-
Managerial remuneration	-	-	-	-	-	-	-	-	-	-	-
Others											
Dividend paid	-	1,078,000	1,022,000	-	-	-	-	-	-	-	-
Outstanding Balances as at 31 March 2014											
Receivables	-	-	-	663,175	11,327,452	17,054,830	30,328	682,453	-	-	17,392,215
Payables	162,506,415	-	-	1,559,201	-	-	-	-	-	-	-

Morganite Crucible (India) Limited

Notes to the financial statements *(Continued)*

for the year ended 31 March 2015

(Currency: Indian Rupees)

37 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. 574,095 (2014 : Rs. 786,421)

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

Particulars	**31 March 2015**	31 March 2014
Payable within one year	**640,800**	622,740
Payable between one and five year	**459,872**	1,100,672
Payable after five years	-	-

38 Earnings per share

Particulars		
Net profit after tax attributable to equity shareholders	**60,220,455**	84,228,615
Weighted average number of shares outstanding during the year (Nos.)	**2,800,000**	2,800,000
Earnings Per Share		
- Basic	**21.51**	30.08
- Diluted	**21.51**	30.08
Nominal value of an equity share	**10**	10

39 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 2015**	31 March 2014
Amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	**2,668,781**	1,559,201
- Interest	**104,325**	23,492
The amount of interest paid by the buyer as per the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006)	-	-
The amounts of payments made to micro and small suppliers beyond the appointed day during each accounting year	**7,120,165**	4,147,244
Amounts 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 MSMED Act, 2006	**-**	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	**104,325**	23,492
The amounts of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMSED Act, 2006	**159,619**	55,294

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.

Morganite Crucible (India) Limited

Notes to the financial statements *(Continued)*

for the year ended 31 March 2015

(Currency: Indian Rupees)

40 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 outstanding foreign exchange forward contracts of GBP Nil, EURO Nil and USD Nil (2014: GBP 210,000), (2014: EURO 150,000), (2014: USD Nil) equivalent to Rs Nil (2014: Rs. 33,932,436). The Company has revalued these forward contracts as at the year end by marking the same to market and recognized a loss of Rs.Nil (2014: Nil) by debiting the statement of profit and loss in compliance with the announcement dated 29 March 2008 made by the Institute of Chartered Accountants of India ('ICAI') regarding accounting for derivatives.

Particulars	Foreign Currency Denomination	Foreign Currency Amount	Amount (Rs.)
Assets (Trade Receivables)	EURO	**384,725**	**25,403,381**
		(318,426)	(26,308,383)
	GBP	**258,304**	**23,464,346**
		(420,243)	(41,969,672)
	USD	**460,919**	**28,424,866**
		(214,023)	(12,834,974)
Liabilities (Trade Payables)	EURO	**71,200**	**4,887,880**
		(20,900)	(1,733,864)
	GBP	**22,375**	**2,102,317**
		(77)	(7,753)
	USD	**1,453**	**92,233**
		(97,840)	(5,910,514)
Other current liabilities	EURO	**-**	**-**
		(18,254)	(1,514,350)
	USD	**-**	**-**
		(38,991)	(2,355,437)

41 Dividends remitted in foreign currency

	31 March 2015	31 March 2014
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	**2013-14**	2012-13

42 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 2015	31 March 2014
At the commencement of the year	**6,049,425**	4,961,245
Provisions made during the year	**8,400,247**	11,708,126
Provision utilised during the year	**7,218,115**	10,619,946
At the end of the year	**7,231,557**	6,049,425

Morganite Crucible (India) Limited

Notes to the financial statements *(Continued)*

for the year ended 31 March 2015

(Currency: Indian Rupees)

43 Corporate social responsibility

As per provisions of section 135 of Companies Act 2013, the Company was required to spend Rs. 2,791,425 (2014: Rs Nil) 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 Nil (2014: 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.

44 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.

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.

45 Prior period figures have been regrouped/reclassified where necessary to confirm with the current year's presentation as follows :

Schedule No.	Particulars	Amount as per audited financial statement for the year ended 31 March 2014	Amount after regrouped in the current year	Regrouped amount	Regrouping details
6	**Trade payables**	**197,077,318**	**212,036,018**	**(14,958,700)**	
	- Dues to others	195,494,625	210,453,325	(14,958,700)	Regrouped from Expenses payables of Schedule 7 - Other current liabilities
7	**Other current liabilities**	**42,581,765**	**21,573,640**	**21,008,125**	
	Expenses payable	21,008,125	-	21,008,125	Regrouped in - Due to others of Schedule 6 - Trade payables
8	**Short-term provisions**	**5,216,615**	**11,266,040**	**(6,049,425)**	
	Warranties (refer note 42)	-	6,049,425	(6,049,425)	Regrouped from Expenses payables of Schedule 7 - Other current liabilities
25	**Other expenses**	**215,311,784**	**215,311,784**	**-**	
	Rent	786,422	4,510,967	(3,724,545)	Regrouped from Rates and taxes of Schedule 25 - Other expenses
	Rates and taxes	6,670,166	2,945,621	3,724,545	

As per our report of even date attached.

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

Aniruddha Godbole
Partner
Membership No : 105149
Place : Mumbai
Date : 25 May 2015

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

Sadanand Shabde
Director
Place : Aurangabad
Date : 25 May 2015

Ian Arber
Director
Place : Aurangabad
Date : 25 May 2015

Atithi Majumdar
Chief Financial Officer
Place : Aurangabad
Date : 25 May 2015

Rupesh Khokle
Company Secretary
Place : Aurangabad
Date : 25 May 2015

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 (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31 March 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter 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 consolidated 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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 state of affairs of the Company as at 31 March 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section143(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 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 and its subsidiary company as on 31 March, 2015 and taken on record by the Board of Directors of the respective companies, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
   (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 Holding Company and its subsidiary company – Refer Note 27 to the consolidated financial statements.
   ii. The Holding Company and its subsidiary company did not have any material foreseeable losses on long-term contracts including derivative contracts; and
   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/ W-100022

Aniruddha Godbole
Partner
Membership no.: 105149

Place: Mumbai
Date: 25 May 2015

Annexure to the Independent Auditor's Report – 31 March 2015

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 consolidated financial statements for the year ended 31 March 2015, the following statement is based on the comments in the auditors' reports on the standalone financial statements of the Holding Company and its subsidiary company :

. (a) The Holding Company and its subsidiary company have maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Holding Company and its subsidiary company have a regular program of physical verification of its fixed assets, by which all fixed assets are verified every year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Holding Company and its subsidiary company and the nature of its assets. No material discrepancies were noticed on such verification.

2. (a) The inventory, except goods in transit, has been physically verified by the management of the Holding Company and its subsidiary company during the year. In our opinion, the frequency of such verification is reasonable.

   (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Holding Company and its subsidiary company and the nature of their respective business.

   (c) The Holding Company and its subsidiary company are maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

3. The Holding Company and its subsidiary company have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) (a) and 3(iii) (b) of the Order is not applicable.

4. In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchase of certain items of inventories are for specialized requirements and similarly the sale of certain goods are for the specialized requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the respective size of each Company and the nature of its business with regard to the purchase of inventories and fixed assets and with regard to sale of goods. The Holding Company's and its subsidiary company's activities do not involve rendering of services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.

5. The Holding Company and its subsidiary company have not accepted any deposits in accordance with the provisions of sections 73 to 76 of the Act and the rules framed there under.

6. We have broadly reviewed the books of accounts maintained by the Holding Company and its subsidiary company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of these records.

7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Holding Company and its subsidiary company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Investor Education and Protection Fund, Income-tax, Sales tax, Value added tax, Service tax, Duty of customs, Duty of excise and other statutory dues have been generally regularly deposited during the year by the respective Companies 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, Investor Education and Protection Fund, Income-tax, Sales tax, Value added tax, Service tax, Duty of customs, Duty of excise and other statutory dues were in arrears as at 31 March 2015 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, Wealth tax, Service tax, Sales tax, Duty of customs and Duty of excise which have not been deposited by the Company with the appropriate authorities on account of any disputes except for the following arrears:-

Name of the Company	Name of the statue	Nature of dues	Amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Diamond Crucible Company Limited	Income Tax Act, 1961	Demand on disallowance of expense on assessment	4,017,710	3,250,000	AY 2012-13	Income tax appellate tribunal (ITAT)

(C) According to the information and explanations given to us and on the basis of the examination of the records of the Holding Company and its subsidiary company, there were no amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

8. The Holding Company and its subsidiary company does not have accumulated losses at the end of the financial year and have not incurred cash losses in the current financial year and in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Holding Company and its subsidiary company did not have any outstanding dues to any financial institution, banks or debenture holders during the year.
10. According to the information and explanations given to us, the Holding Company and its subsidiary company have not given any guarantee for loans taken by others from banks or financial institutions.
11. In our opinion and according to the information and explanations given to us, the Holding Company and its subsidiary company did not have any term loans outstanding during the year.
12. According to the information and explanations given to us, no fraud on or by the Holding Company and its subsidiary company have been noticed or reported during the course of our audit.

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/ W-100022

Aniruddha Godbole
Partner
Membership no.: 105149

Place : Mumbai
Date: 25 May 2015

Morganite Crucible (India) Limited

Consolidated Balance sheet
as at 31 March 2015

(Currency : Indian rupees)

	Notes	31-Mar-15	31-Mar-14
Equity and liabilities			
Shareholders' funds			
Share capital	3	**28,000,000**	28,000,000
Reserves and surplus	4	**617,341,773**	564,685,825
		645,341,773	592,685,825
Minority interest		**64,288,128**	64,257,729
Non-current liabilities			
Deferred tax liabilities (net)	5	**4,172,835**	23,251,239
Long term provisions	6	**1,489,724**	1,353,381
		5,662,559	24,604,620
Current liabilities			
Trade payables	7	**160,118,305**	273,236,968
Other current liabilities	8	**27,060,076**	26,498,430
Short-term provisions	9	**14,668,100**	11,367,812
		201,846,481	311,103,210
		917,138,941	992,651,384
Assets			
Non-current assets			
Fixed assets			
Tangible fixed assets	10	**227,367,683**	269,248,307
Intangible fixed assets	10	**30,088,492**	41,218,348
Capital work-in-progress	10	**13,826,466**	1,361,775
Long-term loans and advances	11	**95,568,346**	83,458,757
Other non-current assets	12	**2,618,799**	1,257,574
		369,469,786	396,544,761
Current assets			
Inventories	13	**170,017,176**	182,533,204
Trade receivables	14	**157,894,569**	167,631,368
Cash and bank balances	15	**150,166,122**	176,800,723
Short-term loans and advances	16	**61,395,501**	61,192,909
Other current assets	17	**8,195,787**	7,948,419
		547,669,155	596,106,623
		917,138,941	992,651,384
Significant accounting policies	2		
Notes to the consolidated financial statements	3-40		

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

Aniruddha Godbole
Partner
Membership No : 105149

Place : Mumbai
Date : 25 May 2015

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

Sadanand Shabde
Director
Place : Aurangabad
Date : 25 May 2015

Ian Arber
Director
Place : Aurangabad
Date : 25 May 2015

Atithi Majumdar
Chief Financial Officer
Place : Aurangabad
Date : 25 May 2015

Rupesh Khokle
Company Secretary
Place : Aurangabad
Date : 25 May 2015

Consolidated Statement of Profit and Loss
for the year ended 31 March 2015

(Currency : Indian rupees)

	Notes	31-Mar-15	31-Mar-14
Revenue from operations			
Sale of products (gross)	18	1,139,223,744	1,046,229,246
Less: Excise duty		51,703,401	49,518,339
Sale of products (net)		1,087,520,343	996,710,907
Other operating revenues	19	13,044,600	13,182,943
Total		1,100,564,943	1,009,893,850
Other income	20	7,977,277	23,214,631
Total revenue		1,108,542,220	1,033,108,481
Expenses			
Cost of materials consumed	21	436,467,028	423,108,487
Changes in inventories of finished goods and work in progress	22	1,994,452	15,916,338
Employee benefits expense	23	139,806,184	117,580,902
Finance costs	24	74,168	3,438,536
Depreciation and amortisation expense	25	89,555,651	55,917,907
Other expenses	26	329,498,095	274,472,820
		997,395,578	890,434,990
Profit before tax		111,146,642	142,673,491
Tax expense:			
Current tax		58,252,000	44,541,524
Deferred tax (credit) / charge		(18,372,428)	2,696,664
Short provision of earlier years		13,524,947	8,120,648
Profit for the year before minority interest		57,742,123	87,314,655
Less: Minority interest for the year		136,145	2,864,478
Profit for the year		57,605,978	84,450,177
Earnings Per Share: (face value of Rs 10 per share)	34		
Basic (Rs.)		20.57	30.16
Diluted (Rs.)		20.57	30.16
Significant accounting policies	2		
Notes to the consolidated financial statements	3-40		

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

Aniruddha Godbole
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Place : Aurangabad
Date : 25 May 2015

Rupesh Khokle
Company Secretary
Aurangabad
Date : 25 May 2015

Consolidated Cash Flow Statement

for the year ended 31 March 2015

(Currency : Indian rupees)

		31-Mar-15	31-Mar-14
A	**Cash flow from operating activities**		
	Profit before tax	**111,146,642**	142,673,491
	Adjustments for:		
	Depreciation and amortisation expense	**89,555,651**	55,921,562
	Loss on sale / write off of fixed assets - net	**1,722,381**	1,299,452
	Interest income	**(5,488,008)**	(7,736,867)
	Finance costs	**74,168**	-
	Provision for doubtful advances	**-**	1,020,000
	Unrealised foreign exchange loss	**4,514,036**	608,545
	Operating profit before working capital changes	**201,524,870**	193,786,183
	Changes in working capital		
	(Increase)/Decrease in inventories	**12,516,028**	701,057
	Decrease in trade receivables	**9,736,799**	(132,080)
	(Increase) in short-term loans & advances	**(202,592)**	(20,299,480)
	(Increase) in long-term loans & advances	**(13,110,367)**	(21,316,412)
	(Increase) in other current assets	**(865,051)**	(2,661,417)
	Increase / (Decrease) in other current liabilities	**(948,990)**	(1,099,042)
	(Decrease) / Increase trade payable	**(113,118,663)**	(12,170,038)
	(Decrease) / Increase long term provision	**301,467**	237,104
	(Decrease) / Increase short term provision	**3,081,797**	(1,086,096)
	Net changes in working capital	**(102,609,572)**	(57,826,404)
	Cash generated from operations	**98,915,298**	135,959,779
	Income taxes paid	**(70,103,755)**	(65,268,789)
	Net cash flows from operating activities (A)	**28,811,543**	70,690,990
B	**Cash flow from investing activites**		
	Purchase of fixed assets, including expenditure on capital work in progress	**(53,030,816)**	(54,207,600)
	Movement in fixed deposits (net)	**44,610,080**	2,950,368
	Proceeds from sale of fixed assets	**704,270**	137,800
	Proceeds from sale of investment	**-**	60,200
	Interest received	**6,075,180**	7,962,358
	Net cash (used in) investing activities (B)	**(1,641,286)**	(43,096,874)
C	**Cash flow from financing activities**		
	Finance costs	**(74,168)**	-
	Repayment of external commercial borrowings	**-**	-
	Dividend paid (inclusive of corporate dividend tax thereon)	**(3,275,860)**	(3,211,001)
	Net cash (used in) financing activities (C)	**(3,350,028)**	(3,211,001)
	Net increase in cash and cash equivalents (A+B+C)	**23,820,229**	24,383,115
	Effect of exchange differences on cash and cash equivalents held in foreign currency	**(4,514,036)**	(429,877)
	Cash and cash equivalents at the beginning of the year	**115,866,012**	91,912,774
	Cash and cash equivalents at the end of the year (refer schedule 15)	**135,172,205**	115,866,012

Components of cash and cash equivalents	**31-Mar-15**	31-Mar-14	31-Mar-13
Cash and cash equivalents comprises of:			
Cash on hand	**30,031**	73,121	52,120
Cheques on hand	**-**	578,857	
Bank balances			
- In current accounts	**72,057,087**	91,888,368	52,729,136
- Fixed deposits (upto three months maturity from deposit date)	**-**	-	7,823,509
- Export Earner's Foreign Currency account (EEFC)	**63,085,087**	23,325,666	31,308,009
Total	**135,172,205**	115,866,012	91,912,774

As per our report of even date attached.

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

Aniruddha Godbole
Partner
Membership No : 105149

Place : Mumbai
Date : 25 May 2015

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

Sadanand Shabde
Director
Place : Aurangabad
Date : 25 May 2015

Ian Arber
Director
Place : Aurangabad
Date : 25 May 2015

Atithi Majumdar
Chief Financial Officer
Place : Aurangabad
Date : 25 May 2015

Rupesh Khokle
Company Secretary
Aurangabad
Date : 25 May 2015

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, its accessories and die lubes.

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, except for the change in accounting policy as explained in note 2.6 below.

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 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.

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) ***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
	Computers	3 years
Vehicles	Vehicles	8 years
Office equipment	Office equipment	5 years
Furniture and fixtures	Furniture and fixtures	10 years

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets.

The Company has used transitional provisions of Schedule II to adjust the impact of its first application. If a tangible fixed asset has Nil remaining useful life on the date of Schedule II becoming effective, i.e., 1 April 2014, its carrying amount, after retaining any residual value, is charged to the opening balance of retained earnings. The carrying amount of other tangible fixed assets, i.e., tangible fixed assets whose remaining useful life is not nil on 1 April 2014, is depreciated over their remaining useful life.

The Company has accounted for additional charge of depreciation of Rs. 32,485,771 for the year ended 31 March 2015 and Rs. 1,685,753 (net of deferred tax) in reserves in terms of transitional provisions of Schedule II of the Companies Act, 2013. Had the Company continued with the previously assessed useful lives, charge for depreciation would have been lower by Rs. 32,485,771 for the year ended 31 March 2015, the profit for the year would have been higher by Rs. 32,485,771, retained earnings at the beginning of the year would have been higher by Rs. 1,685,753 and the fixed asset would correspondingly have been higher by Rs. 34,877,500.

(b) (i) 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.

Morganite Crucible (India) Limited

Notes to the consolidated financial statements *(Continued)*

for the year ended 31 March 2015

(Currency : Indian rupees)

	31-Mar-15	31-Mar-14
3 Share capital		
Authorised capital :		
5,000,000 (2014 : 5,000,000) equity shares of Rs. 10 each	**50,000,000**	50,000,000
Issued		
2,800,000 (2014: 2,800,000) equity shares of Rs 10 each, fully paid-up	**28,000,000**	28,000,000
Subscribed and paid-up		
2,800,000 (2014: 2,800,000) equity shares of Rs 10 each, fully paid-up	**28,000,000**	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. 1 (2014: 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-Mar-15		31-Mar-14	
	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

(Currency : Indian rupees)

		31-Mar-15	31-Mar-14
	Surplus in the Consolidated Statement of Profit and Loss		
	At the commencement of the year	**478,693,825**	397,519,508
	Less : Adjustment on account of revised useful life of fixed assets *(refer note 2.6)*	**1,580,006**	-
	Add: Profit after tax for the year	**57,605,978**	84,450,177
	Amount available for appropriation	**534,719,797**	481,969,685
	Less : Appropriations		
	Proposed equity dividend	**(2,800,000)**	(2,800,000)
	Corporate dividend tax	**(570,024)**	(475,860)
		531,349,773	478,693,825
	Total reserves and surplus	**617,341,773**	564,685,825
5	**Deferred tax liabilities (net)**		
	Deferred tax liabilities		
	Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged in the consolidated financial statements	**7,541,901**	24,438,542
	Provision for employee benefits	**-**	1,539,603
	Deferred tax assets		
	Arising out of timing differences in		
	Provision for doubtful debts	**(1,725,119)**	(1,725,119)
	Provision for doubtful advances	**(315,180)**	(315,180)
	Provision for employee benefits	**(758,494)**	-
	Disallowances under the Income Tax Act, 1961	**(570,273)**	(686,607)
	Net deferred tax liabilities	**4,172,835**	23,251,239
6	**Long term provisions**		
	Provision for employee benefits:		
	Compensated absences	**1,489,724**	1,188,257
	Others		
	Income tax *(net of advance taxes paid)*	**-**	165,124
		1,489,724	1,353,381
7	**Trade payables**		
	- Dues to micro, small and medium enterprises *(refer note 35)*	**1,233,329**	115,242
	- Dues to others	**158,884,976**	273,121,726
		160,118,305	273,236,968
8	**Other current liabilities**		
	Unclaimed dividend *(refer note below)*	**66,718**	66,718
	Advances received from customers	**1,843,621**	1,858,498
	Deposits	**356,000**	442,000
	Employee benefits payable	**11,324,517**	11,339,379
	Statutory dues to:		
	Provident and other funds	**1,013,654**	883,454
	Others:		
	Customs duty	**586,289**	528,113
	Professional tax	**39,330**	42,045
	Excise duty on closing stock of finished goods	**5,006,945**	5,161,569
	Tax deducted at source	**507,567**	937,403
	Sales tax	**57,448**	493,916
	Service tax	**9,092**	7,076
	Creditors for capital goods	**6,248,895**	4,738,259
		27,060,076	26,498,430

Note - There are no amounts due to the Investor Education and Protection Fund.

		31-Mar-15	31-Mar-14
9	**Short-term provisions**		
	Provision for employee benefits:		
	Compensated absences	**2,815,022**	915,357
	Other provisions		
	Warranties *(refer note 37)*	**7,231,557**	6,049,425
	Proposed dividend	**2,800,000**	2,800,000
	Dividend distribution tax	**570,024**	475,860
	Income tax *(net of advance taxes paid)*	**1,251,497**	1,127,170
		14,668,100	11,367,812

Morganite Crucible (India) Limited

Notes to the consolidated financial statements *(Continued)*

for the year ended 31 March 2015

(Currency : Indian rupees)

10 Fixed assets

	Tangible Assets							Intangible Assets						Total Fixed Assets
	Land - Leasehold	Building	Plant and equipments	Vehicles	Office equipments	Furniture and fixtures	Total tangible assets	Goodwill on consolidation	Software	Non-competition agreement	Distribution Rights	Technical Know-how	Total intangible assets	
Gross Block														
Balance as at 1 April 2013	1,919,450	69,742,065	414,804,202	1,648,993	2,079,770	7,530,347	497,724,827	41,342,683	16,345,032	2,924,924	48,720,587	1,500,000	110,833,226	608,558,053
Additions during the year	-	4,721,964	63,289,804	-	2,654,547	483,398	71,149,713	-	2,484,595	-	-	-	2,484,595	73,634,308
Deletions during the year	-	-	4,395,165	-	412,940	-	4,808,105	-	-	-	-	-	-	4,808,105
Balance as at 31 March 2014	**1,919,450**	**74,464,029**	**473,698,841**	**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**	**677,384,256**
Additions during the year	-	5,654,606	32,372,106	48,644	1,373,727	1,603,468	41,052,551	-	311,000	-	-	-	311,000	41,363,551
Adjustments during the year	-	-	2,817,374	-	3,920	(2,821,294)	-	-	-	-	-	-	-	-
Deletions during the year	-	1,820,827	2,691,627	-	-	4,360	4,516,814	-	-	-	-	-	-	4,516,814
Balance as at 31 March 2015	**1,919,450**	**78,297,808**	**506,196,694**	**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**	**714,230,993**
Depreciation														
Balance as at 1 April 2013	548,887	22,852,893	225,852,665	443,204	408,955	3,440,982	253,547,586	19,293,249	3,000,321	2,924,924	34,109,972	1,500,000	60,828,466	314,376,052
Depreciation for the year	19,388	3,015,949	40,646,855	152,500	524,946	287,262	44,646,900	2,756,179	3,642,768	-	4,872,060	-	11,271,007	55,917,907
Accumulated depreciation on disposals	-	-	2,963,418	-	412,940	-	3,376,358	-	-	-	-	-	-	3,376,358
Balance as at 31 March 2014	**568,275**	**25,868,842**	**263,536,102**	**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**	**366,917,601**
Depreciation for the year	19,403	3,274,884	72,958,005	245,588	1,031,270	585,645	78,114,795	2,756,179	3,812,618	-	4,872,059	-	11,440,856	89,555,651
Accumulated depreciation on disposals	-	665,952	1,419,851	-	-	4,360	2,090,163	-	-	-	-	-	-	2,090,163
Adjustment - Charge against opening reserves (refer note 2.6)	-	-	1,790,376	-	412,795	188,558	2,391,729	-	-	-	-	-	-	2,391,729
Adjustments of earlier years	-	-	881,774	-	129,296	(1,011,070)	-	-	-	-	-	-	-	-
Balance as at 31 March 2015	**587,678**	**28,477,774**	**337,746,406**	**841,292**	**2,094,322**	**3,487,017**	**373,234,489**	**24,805,607**	**10,455,707**	**2,924,924**	**43,854,091**	**1,500,000**	**83,540,329**	**456,774,818**
Net Block														
As at 31 March 2014	1,351,175	48,595,187	210,162,739	1,053,289	3,800,416	4,285,501	269,248,307	19,293,255	12,186,538	-	9,738,555	-	41,218,348	310,466,655
As at 31 March 2015	**1,331,772**	**49,820,034**	**168,450,288**	**856,345**	**3,604,702**	**3,304,542**	**227,367,683**	**16,537,076**	**8,684,920**	**-**	**4,866,496**	**-**	**30,088,492**	**257,456,175**
Capital work-in-progress														
Balance as at 1 April 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	1,361,775	-	-	-	1,361,775	-	-	-	-	-	-	1,361,775
Assets capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 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**

(Currency : Indian rupees)

		31-Mar-15	31-Mar-14
11 Long-term loans and advances			
(Unsecured, considered good)			
Capital advances		**955,761**	242,550
Security deposits		**2,889,676**	2,856,946
Value added tax receivable		**26,396,391**	36,232,291
Interest receivable on VAT refund		**-**	1,853,190
Cenvat credit receivable		**42,816,682**	18,049,955
Advance taxes paid *(net of provision)*		**22,509,836**	24,223,825
		95,568,346	83,458,757
12 Other non-current assets			
(Unsecured, considered good)			
Bank deposits (due to mature after twelve months from the reporting date)		**2,502,060**	1,171,346
Interest accrued on deposits with banks		**116,739**	86,228
		2,618,799	1,257,574

*Includes fixed deposits aggregating Rs. 2,502,060 (2014 : Rs. 1,171,346) which are under lien with bank towards guarantees issued by the bank on behalf of the Company.

		31-Mar-15	31-Mar-14
13 Inventories			
(At lower of cost and net realisable value - also refer note 2.12)			
Raw materials and packing materials *(refer note 29)* [Including goods-in-transit Rs. 13,653,787 (2014 : Rs.7,692,578)]		**79,555,142**	85,776,207
Work-in-progress *(refer note 22)*		**41,451,572**	42,384,772
Finished goods *(refer note 22)* [Including goods-in-transit Rs. 9,896,952 (2014 : Rs.13,182,627)]		**40,482,173**	41,543,425
Stores and spares		**8,528,289**	12,828,800
		170,017,176	182,533,204
14 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		**9,168,335**	4,755,766
Considered doubtful		**5,582,911**	5,582,911
		14,751,246	10,338,677
Less: Provision for doubtful debts		**(5,582,911)**	(5,582,911)
	(A)	**9,168,335**	4,755,766
Other receivable			
Considered good	**(B)**	**148,726,234**	162,875,602
	(A) + (B)	**157,894,569**	167,631,368

(Currency : Indian rupees)

	31-Mar-15	31-Mar-14
15 Cash and bank balances		
Cash and cash equivalents		
- Cash on hand	**30,031**	73,121
- Cheques on hand	**-**	578,857
Balances with banks		
- In current accounts	**72,057,087**	91,888,368
- Export Earner's Foreign Currency account (EEFC)	**63,085,087**	23,325,666
	135,172,205	115,866,012
Other bank balances		
- Unpaid dividend accounts	**66,718**	66,718
- Fixed deposits with maturity more than three months from deposit date but less than twelve months from the Balance Sheet date.	**14,927,199**	60,867,993
	150,166,122	176,800,723
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	**135,142,174**	115,214,034
Bank deposits due to mature within twelve months of reporting date included under 'Other bank balances'	**14,993,917**	60,934,711
Bank deposits due to mature after twelve months of the reporting date included under 'Other non-current assets' *(refer note 12)*	**2,502,060**	1,171,346
	152,638,151	177,320,091
16 Short-term loans and advances		
(Unsecured, considered good unless otherwise stated)		
To parties other than related parties		
Advance to suppliers		
Considered good	**9,489,031**	9,987,601
Considered doubtful	**1,020,000**	1,020,000
Less: Provision for doubtful advances	**(1,020,000)**	(1,020,000)
Prepaid expenses	**5,107,751**	4,414,628
Value added tax receivable	**9,992,590**	-
Cenvat credit receivable	**34,382,776**	39,511,885
Gratuity fund with Life Insurance Corporation of India	**2,007,198**	6,693,957
Loans to employees	**416,155**	584,838
	61,395,501	61,192,909
17 Other current assets		
Interest accrued on :		
- deposits with banks	**496,375**	2,312,468
- VAT refund	**1,198,410**	-
Duty drawback receivable	**6,381,195**	5,419,770
Insurance claim receivable	**119,807**	216,181
	8,195,787	7,948,419

(Currency : Indian rupees)

		31-Mar-15	31-Mar-14
18	**Revenue from operations**		
	Sale of products (gross)	**1,139,223,744**	1,046,229,246
	Less: Excise duty	**51,703,401**	49,518,339
	Sale of products (net)	**1,087,520,343**	996,710,907
	Break-up of revenue from sale of products		
	Crucibles	**1,079,852,779**	984,022,637
	Die-Lube	**5,969,861**	12,688,270
		1,085,822,640	996,710,907
19	**Other operating revenues**		
	Sale of scrap	**1,430,622**	1,502,856
	Duty drawback on exports	**11,613,978**	11,680,087
		13,044,600	13,182,943
20	**Other income**		
	Interest income on:		
	Deposits with banks	**5,375,799**	7,736,867
	VAT Refund	**-**	1,853,190
	Delayed payment by customers	**112,209**	1,091,441
	Net gain on account of foreign exchange fluctuations	**234,306**	11,712,962
	Miscellaneous income	**2,254,963**	820,171
		7,977,277	23,214,631
21	**Cost of materials consumed**		
	Inventory of materials at the beginning of the year	**85,776,207**	74,581,668
	Purchases	**430,245,963**	434,303,026
	Inventory of materials at the end of the year *(also refer note 29)*	**79,555,142**	85,776,207
		436,467,028	423,108,487
22	**Changes in inventory of finished goods and work in progress**		
	Inventory at the end of the year		
	Finished goods - Crucibles	**40,482,173**	41,543,425
	Work in progress - Crucibles	**41,451,572**	42,384,772
	Inventory at the beginning of the year		
	Finished goods - Crucibles	**41,543,425**	51,539,651
	Work in progress - Crucibles	**42,384,772**	48,304,884
		1,994,452	15,916,338
23	**Employee benefits expense**		
	Salaries, wages and bonus	**121,783,574**	105,664,113
	Contribution to provident and other funds *(refer note 30)*	**6,828,890**	6,168,531
	Gratuity *(refer note 30)*	**4,721,044**	125,979
	Staff welfare expenses	**6,472,676**	5,622,279
		139,806,184	117,580,902

(Currency : Indian rupees)

		31-Mar-15	31-Mar-14
24	**Finance costs**		
	Interest expense on VAT assessments	**74,168**	3,438,536
		74,168	3,438,536
25	**Depreciation and amortization**		
	Depreciation of tangible fixed assets *(refer note 2.6)*	**78,114,795**	44,646,900
	Amortization of intangible fixed assets	**11,440,856**	11,271,007
		89,555,651	55,917,907
26	**Other expenses**		
	Consumption of stores and spares	**14,227,672**	12,681,849
	Decrease in excise duty on inventory of finished goods	**(210,040)**	(388,529)
	Power and fuel	**94,775,847**	103,694,409
	Repairs to buildings	**1,067,315**	1,950,756
	Repairs to machinery	**16,483,101**	15,431,460
	Repairs others	**2,694,417**	3,787,461
	Rent	**4,380,494**	4,510,967
	Rates and taxes	**1,389,699**	3,079,723
	Travelling and motor car expenses	**10,721,309**	10,555,765
	Legal and professional fees	**5,361,387**	4,282,282
	Insurance	**1,816,131**	1,705,161
	Payment to auditor *(refer note 28)*	**2,523,408**	1,880,954
	Sales commission	**6,876,133**	6,594,031
	Transportation	**1,142,550**	1,007,435
	Directors' sitting fees	**140,000**	120,000
	Net loss on account of foreign exchange fluctuations	**10,379,436**	-
	Royalty / Trade mark charge	**7,963,449**	7,257,453
	Management charges *(includes prior period expense of Rs. 6,980,000 (2014 : Rs. Nil))*	**86,531,876**	53,523,968
	No claim compensation	**2,197,196**	2,068,590
	Business development and promotional expenses	**12,435,441**	1,395,899
	SAP training & maintenance expenses	**7,179,868**	2,282,192
	Loss on sale / retirement of fixed assets	**1,722,381**	1,299,452
	Freight outward	**14,752,820**	14,912,186
	Bank charges	**1,454,820**	1,487,908
	Watch and ward	**3,900,845**	3,984,191
	Provision for doubtful advance	**-**	1,020,000
	Miscellaneous expenses	**17,590,540**	14,347,257
		329,498,095	274,472,820

(Currency: Indian Rupees)

		31-Mar-15	31-Mar-14
27	**Contingent liabilities and commitments**		
	Contingent Liabilities:		
a.	Bonds in favour of the President of India endorsed through Deputy Commissioner of Customs for import of goods.	**10,000,000**	10,000,000
b.	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.	**-**	-
c.	Disputed employees' state insurance demand against which the Group has preferred appeals.	**52,498**	52,498
d.	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 is in process of filing an appeal for the same. *(excluding interest and penalty)	**1,896,472**	-

e. A suit has been filed by Mr. N. K. Oza, past employee of the subsidiary Company, on account of his suspension from the subsidiary 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 Subsidiary Company is presently paying the above mentioned Rs 540 per month to the said employee. The Subsidiary Company has made provision of Rs. 4 lacs during the financial year 2014-15 towards compensation to be payable Mr. N. K. Oza, in case the Hon'ble Court gives order in his favour.

f. 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 Subsidiary 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.

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:

	31-Mar-15	31-Mar-14
a. Estimated amount of contracts remaining to be executed on capital account and not provided for	**2,275,396**	1,554,971

Morganite Crucible (India) Limited

Notes to the consolidated financial statements *(Continued)*

for the year ended 31 March 2015
(Currency: Indian Rupees)

28 Payment to auditors (excluding service tax)

Particulars	31-Mar-15	31-Mar-14
As auditor		
Statutory audit	**1,275,000**	775,000
Tax audit	**100,000**	100,000
Limited review of quarterly results	**600,000**	600,000
Certification fees	**50,000**	50,000
In other capacity		
Audit of group reporting package	**300,000**	300,000
Reimbursement of expenses	**198,408**	55,954
	2,523,408	1,880,954

29 Break up of cost of materials consumed**

Particulars		
Silicon carbide	**106,556,981**	101,845,524
Graphite	**134,172,750**	135,428,755
Resin	**37,192,617**	38,251,976
Packing material	**37,770,903**	37,617,316
Others	**120,773,776**	109,964,916
	436,467,027	423,108,487

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

Break up of inventory of raw materials and packing materials

Particulars		
Silicon carbide	**5,346,071**	5,361,826
Graphite	**27,837,444**	37,007,121
Resin	**2,340,169**	2,760,572
Packing material	**2,287,069**	2,435,924
Others	**41,744,389**	38,210,764
	79,555,142	85,776,207

(Currency: Indian Rupees)

30 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. 6,828,890 (2014: Rs. 6,168,531).

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

	31-Mar-15		**31-Mar-14**	
Particulars	**Morganite**	**Diamond**	Morganite	Diamond
Discount rate (per annum)	**7.96%**	**7.80%**	9.31%	9.10%
Rate of increase in compensation levels	**7.00%**	**6.50%**	7.00%	6.50%
Rate of return on plan assets	**8.70%**	**9.15%**	8.70%	9.15%
Attrition rate	**2.00%**	**7.00%**	2.00%	7.00%

a) 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.

b) 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.

c) 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.

d) The Company's gratuity fund is managed by Life Insurance Corporation of India. The plan assets under the fund are invested under approved securities.

e) 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-15	31-Mar-14
Present value of obligation at the beginning of the year	**16,689,765**	16,198,882
Interest Cost	**1,525,268**	1,306,555
Current Service Cost	**1,306,862**	1,336,617
Benefits paid	**(1,027,202)**	(847,033)
Actuarial (gain)/loss on obligations	**3,801,361**	-1,305,256
Present value of obligation as at year end	**22,296,054**	16,689,765

(Currency: Indian Rupees)

B. Movement in fair value of plan assets

Fair value of plan assets at the beginning of the year	**23,383,722**	18,243,181
Expenses deducted from the fund	**(57,526)**	-
Expected return on plan assets	**2,114,093**	1,616,714
Actuarial gain on plan assets	**(218,610)**	87,430
Contributions	**108,777**	4,283,430
Benefits paid	**(1,027,202)**	(847,033)
Fair value of plan assets at year end	**24,303,254**	23,383,722

C. Reconciliation of present value of defined benefit obligation and the fair value of assets

Present value of obligation as at the year end	**(22,296,054)**	(16,689,765)
Fair value of plan assets as at the end of the year	**24,303,254**	23,383,722
Funded status	**2,007,200**	6,693,957
Present value of unfunded obligation as at the year end	**-**	-
Net (liability) / asset recognized in Balance Sheet	**2,007,200**	6,693,957

D. Amount recognized in the Consolidated Balance Sheet

Present value of obligation at the end of the year	**(22,296,054)**	(16,689,765)
Fair value of plan assets as at the end of the year	**24,303,254**	23,383,722
Net (liability) / asset recognized in balance sheet	**2,007,200**	6,693,957

E. Expense recognized in the statement of Profit and Loss

Particulars	**31-Mar-15**	31-Mar-14
Current service cost	**1,306,862**	1,336,617
Interest cost	**1,525,268**	1,306,555
Expected return on plan assets	**(2,114,093)**	(1,616,714)
Net actuarial (gain)/loss recognized in the year	**4,019,972**	(1,392,236)
Total expense recognized in miscellaneous income / employee benefit expense	**4,738,009**	(365,778)

F. Experience adjustment

Particulars	**31-Mar-15**	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Defined benefit obligation	**22,296,054**	16,689,765	16,198,882	12,524,961	11,880,231
Fair value of plan assets	**24,303,254**	23,383,722	18,243,181	13,697,279	11,800,394
(Surplus)/deficit in the plan	**(2,007,200)**	(6,693,957)	(2,044,299)	(1,172,318)	1,315,617
Experience adjustment on plan liabilities	**1,158,045**	470,218	1,714,897	(347,220)	(1,251,615)
Experience adjustment on plan assets	**(58,500)**	(87,430)	(133,085)	(85,251)	(46,749)

Morganite Crucible (India) Limited

Notes to the consolidated financial statements *(Continued)*

for the year ended 31 March 2015
(Currency: Indian Rupees)

31 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). Geographical revenues are allocated based on the location of customers to whom goods are sold.

Particulars	31-Mar-15						31-Mar-14					
		Outside India						Outside India				
	India	Asia and Far East	Europe	Africa and Middle East	Other	Total	India	Asia and Far East	Europe	Africa and Middle East	Other	Total
Revenue from external customers	**407,812,757**	**155,540,095**	**224,930,278**	**176,231,089**	**123,006,125**	**1,087,520,343**	386,397,128	137,889,713	207,256,994	181,523,327	83,643,745	996,710,907
Carrying amount of segment assets (Trade receivables only)	**39,584,755**	**66,331,076**	**35,128,764**	**10,447,739**	**6,402,235**	**157,894,569**	85,693,685	16,738,224	36,793,949	19,865,995	8,539,516	167,631,368
Addition to fixed assets during the year	**50,280,591**	**-**	**-**	**-**	**-**	**50,280,591**	73,634,308	-	-	-	-	73,634,308

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32 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) Co Ltd., China
Morgan Karbon Grafit Sanayi.A.S. Turkey
Thermal Ceramics UK
Murugappa Morganite Thermal Ceramics Ltd.
Thermal Ceramics South Africa
Morganite Brazil Ltda. Brazil
Morgan Molten Metal Systems Co. Ltd. - Shengpu
Morganite Crucible Inc. – Wallingford, USA
Grupo Industrial Morgan, S.A. de C. – Mexico
Murugappa Morgan Thermal Ceramics Ltd. - Kalol, Guj.

d. Key Management Person

Mr. Hitesh Saiwal – Managing Director (upto 30 April 2015)
Mr Pradeep Singh - Plant Manager (upto 31 December 2013)
Mr Atithi Majumdar - Chief Financial Officer
Mr. Rupesh Khokle - Company Secretary

Details of Remuneration paid and amount outstanding as at 31 march 2015 to above mentioned Key Managerial Personnel

Name of the person	Remuneration paid		Outstanding payables	
	31-Mar-15	31-Mar-14	**31-Mar-15**	31-Mar-14
Mr. Hitesh Saiwal	**5,303,852**	3,976,692	**1,082,124**	-
Mr Pradeep Singh	**-**	1,113,360	**-**	-
Mr Atithi Majumdar	**1,835,120**	1,232,100	**425,677**	144,444
Mr. Rupesh Khokle	**844,541**	485,651	**132,600**	37,500

Morganite Crucible (India) Limited

Notes to the consolidated financial statements *(Continued)*

for the year ended 31 March 2015
(Currency: Indian Rupees)

32 Related party disclosures *(Continued)*

Related party transactions for the year ended 31 March 2015

Particulars	Ultimate Holding Company	Investing Associates		Fellow Subsidiaries											
	Morgan Advanced Materials Plc	Morganite Crucible Limited	Morgan Terrassen BV	Morganite Crucible Inc., USA	Morgan Molten Metal Sys GMBH Germany	Morgan Molten Metal Sys China	Morganite Brazil Ltda Brazil	Morgan Krabon Grafit Turkey	Thermal Ceramics UK	Murugappa Morganite Thermal Ceramics Ltd. India	Thermal Ceramics South Africa	Morgan Molten Metal Systems Co. Ltd. - Shengpu	Morganite Crucible Inc. – Wallingford, USA	Grupo Industrial Morgan, S.A. de C. – Mexico	Murugappa Morgan Thermal Ceramics Ltd. - Kalol, Guj.
Income															
Sale of finished goods	-	-	-	99,941,324	91,400,424	3,420,285	70,328	1,883,893	-	-	55,512,545	-	260,762	6,873	-
Reinmbursement of various expenses	-	-	-	-	9,507,403	15,820,175		-	-	-	37,307	-	-	-	-
Expenditure															
Purchase of raw materials (including goods in	-	-	-	-	314,145	262,650		-	47,556	372,500	-	-	-	-	-
Purchased of spares / consumables	-	-	-	-		-		-		846,000	-	-	-	-	-
Capital Goods purchase	-	-	-	-	-	-		-	-	1,860,000	-	-	-	-	1,712,456
Management charges	88,459,779	-	-	-	-	-		-	-	-	-	-	-	-	-
Royalty	7,963,450	-	-	-	-	-		-	-	-	-	-	-	-	-
Enivronment, health & safety expenses	-	-	-	-	-	-	-	-	-		-	-	-	-	30,758
Professional fees	-	-	-	-	-	-	-	-	-	35,000	-	-	-	-	-
Managerial remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others															
Dividend paid	-	1,078,000	1,022,000	-	-	-		-	-	-	-	-	-	-	-
Outstanding Balances as at 31 March 2014															
Receivables	-	-	-	4,468,394	17,739,094	1,459,512	70,328	-	-	-	8,132,492	-	24,180	6,873	-
Payables	82,737,746	-	-	-	62,835	92,233		-	38,016	376,267	-	-	-	-	766,128

32 Related party disclosures *(Continued)*

Related party transactions for the year ended 31 March 2014

Particulars	Ultimate Holding Company	Investing Associates		Fellow Subsidiaries											
	Morgan Advanced Materials Plc	Morganite Crucible Limited	Morgan Terrassen BV	Morganite Crucible Inc., USA	Morgan Molten Metal Sys GMBH Germany	Morgan Molten Metal System (Suzhou) Co. Limited China	Morganite Brazil Ltda Brazil	Morgan Krabon Grafit Turkey	Thermal Ceramics UK	Murugappa Morganite Thermal Ceramics Ltd. India	Thermal Ceramics South Africa	Morgan Molten Metal Systems Co. Ltd. - Shengpu	Morganite Crucible Inc. – Wallingford, USA	Grupo Industrial Morgan, S.A. de C. – Mexico	Murugappa Morgan Thermal Ceramics Ltd. - Kalol, Guj.
Income															
Sale of finished goods	-	-	-	71,736,694	78,605,642	508,513	-	1,023,320	-	-	49,644,959	-	17,727	-	-
Reinmbursement of various expenses	-	-	-	183,183	10,797,531	-	-	-	-	-	-	-	-	-	-
Expenditure															
Purchase of raw materials (including goods in	-	-	-	-	40,466	-	-	-	229,543	-	-	787,840	-	-	-
Purchased of spares / consumables	-	-	-	-	20,943	-	-	-	-	2,342,790	-	-	-	-	-
Capital Goods purchase	-	-	-	-	442,540	-	-	-	-	-	-	-	-	-	-
Management charges	53,523,968	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Royalty	7,257,453	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	136,860	-	-	-	-	-	-	-	-	-	-
Interest on External Commercial Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Managerial remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other															
Dividend paid	-	1,078,000	1,022,000	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of External Commercial Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding Balances as at 31 March 2013															
Receivables	-	-	-	11,327,452	17,365,131	30,328	-	682,453	-	-	17,392,215	-	35,073	-	-
Payables	210,224,008	-	-	-	24,080	-	-	-	-	-	-	-	-	-	-

33 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. 574,095 (2014 : Rs. 786,421)

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

Particulars	31-Mar-15	31-Mar-14
Payable within one year	**640,800**	622,740
Payable between one and five year	**459,872**	1,100,672
Payable after five years	**-**	-

34 Earnings per share

Particulars		
Net profit after tax attributable to equity shareholders	**57,605,978**	84,450,177
Weighted average number of shares outstanding during the year (Nos.)	**2,800,000**	2,800,000
Earnings Per Share		
- Basic	**20.57**	30.16
- Diluted	**20.57**	30.16
Nominal value of an equity share	**10**	10

35 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-15	31-Mar-14
Amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	**1,224,490**	115,242
- Interest	**8,842**	-
The amount of interest paid by the buyer as per the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006)	-	-
The amounts of payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
Amounts 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 MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	**8,842**	-
The amounts of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMSED Act, 2006	**40,645**	31,803

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.

36 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 outstanding foreign exchange forward contracts of GBP Nil, EURO Nil and USD Nil (2014: GBP 210,000), (2014: EURO 150,000), (2014: USD Nil) equivalent to Rs Nil (2014: Rs. 33,932,436). The Company has revalued these forward contracts as at the year end by marking the same to market and recognized a loss of Rs.Nil (2014: Nil) by debiting the statement of profit and loss in compliance with the announcement dated 29 March 2008 made by the Institute of Chartered Accountants of India ('ICAI') regarding accounting for derivatives.

Particulars	Foreign Currency Denomination	Foreign Currency Amount	Amount (Rs.)
Assets (Trade Receivables)	EURO	**428,868**	**28,318,143**
		(322,272)	(26,626,140)
	GBP	**258,304**	**23,464,346**
		(420,243)	(41,969,672)
	USD	**582,909**	**35,948,013**
		(301,401)	(18,075,043)
Liabilities (Trade Payables)	EURO	**72,025**	**4,944,496**
		(21,180)	(1,757,093)
	GBP	**22,375**	**2,102,317**
		(7,323)	(734,515)
	USD	**3,882**	**246,431**
		(125,026)	(7,552,823)
Other current liabilities	EURO	**-**	**-**
		(18,254)	(1,514,350)
	USD	**-**	**-**
		(38,991)	(2,355,437)

Figures in brackets represent figures for the previous year

37 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 2015	31 March 2014
At the commencement of the year	**6,049,425**	4,961,245
Provisions made during the year	**8,400,247**	11,708,126
Provision utilized during the year	**7,218,115**	10,619,946
At the end of the year	**7,231,557**	6,049,425

38 Corporate social responsibility

As per provisions of section 135 of Companies Act 2013, the Company was required to spend Rs. 2,791,425 (2014: Rs Nil) 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 Nil (2014: 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.

39 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.

40 Prior period figures have been regrouped/reclassified where necessary to confirm with the current ye ar's presentation as follows :

Schedule No.	Particulars	Amount as per audited financial statement for the year ended 31 March 2014	Amount after regrouped in the current year	Regrouped amount	Regrouping details
7	**Trade payables**	**252,856,284**	**273,236,968**	**(20,380,684)**	
	- Dues to others	252,741,042	273,121,726	(20,380,684)	Regrouped from Expenses payables of Schedule 8 - Other current liabilities
8	**Other current liabilities**	**52,928,539**	**26,498,430**	**26,430,109**	
	Expenses payable	26,430,109	-	26,430,109	Regrouped in - Due to others of Schedule 7 - Trade payables
9	**Short-term provisions**	**5,318,387**	**11,367,812**	**(6,049,425)**	
	Provision for warranties	-	6,049,425	(6,049,425)	Regrouped from Expenses payables of Schedule 8 - Other current liabilities
23	**Employee benefits expense**	**117,580,902**	**117,580,902**	**-**	
	Contribution to provident and other funds	6,294,510	6,168,531	125,979	Regrouped to Gratuity of Schedule 23 - Employee benefits expense
	Gratuity	-	125,979	(125,979)	Regrouped from Contribution to provident and other funds of Schedule 23 - Employee benefits expense
27	**Other expenses**	**274,472,820**	**274,472,820**	**-**	
	Rent	786,422	4,510,967	(3,724,545)	Regrouped from Rates and taxes of Schedule 27 - Other expenses
	Rates and taxes	6,804,268	3,079,723	3,724,545	Regrouped to Rent of Schedule 27 - Other expenses

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's registration no: 101248W / W-100022

Aniruddha Godbole
Partner
Membership No : 105149

Place : Mumbai
Date : 25 May 2015

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

Sadanand Shabde
Director
Place : Aurangabad
Date : 25 May 2015

Ian Arber
Director
Place : Aurangabad
Date : 25 May 2015

Atithi Majumdar
Chief Financial Officer
Place : Aurangabad
Date : 25 May 2015

Rupesh Khokle
Company Secretary
Place : Aurangabad
Date : 25 May 2015

MORGANITE CRUCIBLE (INDIA) LIMITED
CIN: L26920MH1986PLC038607
RegisteredOffice:B-11,MIDC,IndustrialArea,Waluj-431136Dist.-Aurangabad.
Website: www.morganmms.com E-mail: rupesh.khokle@morganplc.com

30th Annual General Meeting – September 22, 2015

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 **30th Annual General Meeting** of the Company, to be held on Tuesday, September 22, 2015 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, 2015
2.	Approval of final dividend for the financial year ended March 31, 2015 on Equity Shares
3.	Appointment of B S R & Co. LLP as the auditors of the Company
	Special Business
4.	Appointment of Mr Aniruddha Karve as Managing Director
5.	Managerial Remuneration to Mr Hitesh Saiwal for financial year 2015-16
6.	Appointment of Mr Ian Keith Arber as Director (Non-executive) of the Company
7.	Appointment of Ms Maithilee Tambolkar as Director (Independent) of the Company
8.	Appointment of Ms Pauline Tan as Director (Non-executive) of the Company
9.	Appointment of Mr Mirco Pavoni as Director (Non-executive) of the Company

Signed this ____________________ day of _____________ 2015
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.

MORGANITECRUCIBLE(INDIA)LIMITED
CIN: L26920MH1986PLC038607
*RegisteredOffice:*B-11,MIDCIndustrialArea,Waluj-431136Dist.-Aurangabad.
Website: www.morganmms.com E-mail: rupesh.khokle@morganplc.com

Attendance slip

30th Annual General Meeting – September 22, 2015

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 30th Annual General Meeting of the Company held on Tuesday, September 22, 2015 at 11.00 am (IST) at B-11, MIDC, Industrial Area, Waluj, Aurangabad-431136.

………………………………….. ………………………………….

Proxy'sname
(in BLOCK Letters)

Member's/Proxy'sSignature

Notes:

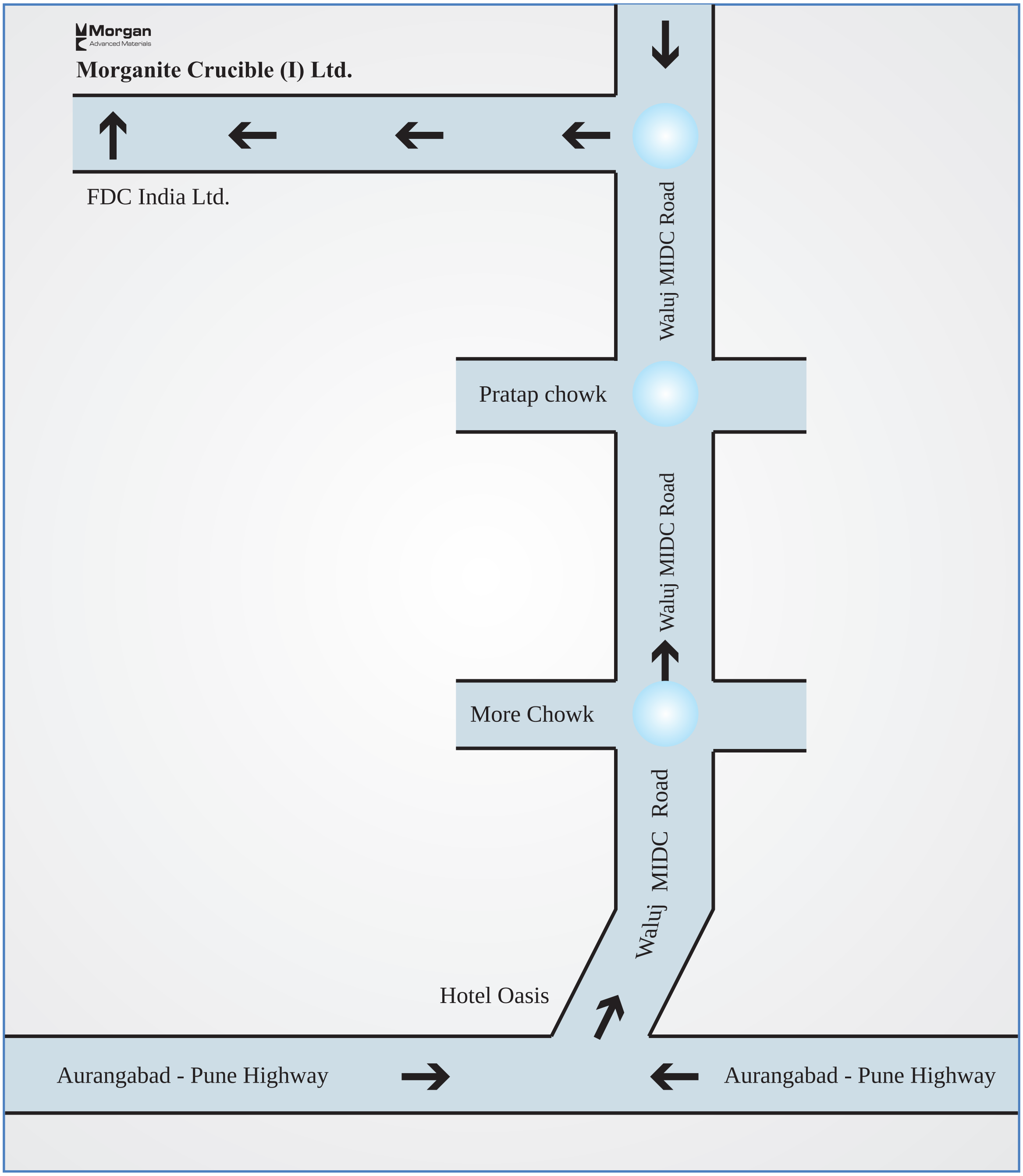
1. Shareholders/Proxy holders are requested to bring the attendance to the Meeting and hand them over at the entrance after affixing their signature.
2. Shareholders are requested to bring their copy of the Annual Report at the Annual General Meeting.

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

………..........

Electronic Voting Sequence Number (EVSN)	User ID	Password
150819001		

NOTE: For e-voting, please read the instructions printed under the Note No.11 to the Notice dated August 13, 2015 of the 30th Annual General Meeting. The Voting period begins on September 19, 2015 at 09.00 am and ends on September 21, 2015 at 05.00 pm. The e-voting module shall be disabled by CDSL for voting thereafter.



Morganite Crucible (India) Limited
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Maharashtra, INDIA
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Email : Sales.India@morganplc.com
Web : www.morganmms.com

Diamond Crucible Company Limited
CIN : 27100GJ1981PLC004450
212-C, GIDC Estate, Mehsana - 384 002.
Gujarat, INDIA
Tel : +91 2762 250503
Email : Admin.India@morganplc.com
Web : www.morganmms.com