



ANNUAL REPORT AND ACCOUNTS 2013-14

MORGANITE CRUCIBLE (INDIA) LTD.

MORGANITE CRUCIBLE (INDIA) LIMITED**29TH ANNUAL REPORT 2013 -14**

BOARD OF DIRECTORS	:	Mr. Sadanand V. Shabde	Chairman
		Mr. Hitesh Saiwal	Managing Director
		Mr. Stuart Alan Cox	Director
		Mr. H. S. Shirsat	Independent Director (Up to June 6, 2013)
		Mr. Subhash B. Kolapkar	Independent Director (From August 14, 2013)
COMPANY SECRETARY	:	Mr. Rupesh Khokle	
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	

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Registrar & Share Transfer Agent Sharepro Services (India) Pvt. Ltd. Samhita Warehousing Complex, 13 AB, Gala No. 52, 2 nd Floor, Near Sakinaka Telephone Exchange, Of. Kurla, Andheri Road, Sakinaka, Mumbai – 400 072 T - +91 22 67720300 Dir. +91 22 67720309	Notice	1-5
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NOTICE

NOTICE is hereby given that the 29th ANNUAL GENERAL MEETING of the Members of MORGANITE CRUCIBLE (INDIA) LIMITED will be held on Thursday, September 25, 2014 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, 2014 including audited Balance Sheet as at March 31, 2014, 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, 2014.
3. To appoint a Director in place of Mr. Stuart Cox, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint M/s BSR & Co LLP, Chartered Accountants, (Registration No. 101248W/W-100022) as Statutory Auditors of the Company for the financial year 2014-15, to hold office from conclusion of this Meeting, until the conclusion of next Annual General Meeting of the Company at such remuneration and reimbursement of out-of-pocket expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.

SPECIAL BUSINESS:

5. Appointment of Mr Sadanand Shabde as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder as read with Schedule IV to the Act, as amended from time to time, Mr Sadanand Shabde (DIN:00848189), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from September 25, 2014 upto September 24, 2019, not liable to retire by rotation.

6. Appointment of Mr Subhash Kolapkar as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder as read with Schedule IV to the Act, as amended from time to time, Mr Subhash Kolapkar (DIN:06666368), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from September 25, 2014 upto September 24, 2019, not liable to retire by rotation.

Registered Office:
B-11, MIDC, Waluj,
Aurangabad – 431 136
Date: August 12, 2014

By Order of the Board,

Hitesh Saiwal
(Managing Director)

NOTES:

1. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person shall act as Proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company, carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.
The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 19, 2014 to Thursday, September 25, 2014 (both days inclusive)
4. The Final Dividend for the financial year ended March 31, 2014, 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 18, 2014.
5. SEBI has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder, transmission/transposition of shares. Members are requested to submit the PAN details to their Depository Participant in case of holdings in dematerialized form and to the Company's Registrars and Transfer Agents, mentioning your correct reference folio number in case of holdings in physical form.
6. Members desiring any information relating to the accounts are requested to write to the Company before 10 days in advance so as to enable the management to keep the information ready.
7. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
8. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Thursday, September 18, 2014, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the despatch of the Annual Report and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.
9. The Company has appointed Mr Devendra Ringangaonkar, Practising Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.
10. The Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating 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:**

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "Morganite Crucible (India) Limited" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>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.</p> <p>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.</p>
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	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>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.</p>

- (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.cdslindia.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:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
 - (B) The voting period begins on September 19, 2014 at 09.00 am (IST) and ends on September 20, 2014 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 18, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
11. The voting rights shall be as per the number of equity share held by the Member(s) as on Thursday, September 18, 2014. Members are eligible to cast vote electronically only if they are holding shares as on that date.
 12. 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.
 13. 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.
 14. 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.
 15. Members are requested to note that as per Section 124 of the Companies Act, 2013, Dividends not encashed / claimed within seven years from the date of declaration will be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.

ANNEXURE TO NOTICE

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

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

Item No. 5

The Board of Directors of the Company had appointed Mr. Sadanand Shabde as Independent Director of the Company effective from November 19, 2009. 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 shall not be included in the total number of directors for retirement by rotation.

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

In view of his vast experience the Board has proposed to appoint Mr. Sadanand Shabde for a term of five years effective from September 25, 2014 subject to approval of the members in the annual general meeting of the Company.

The Board recommends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the Members

Item No. 6

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 shall not be included in the total number of directors for retirement by rotation.

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

In view of his vast experience the Board has proposed to appoint Mr. Subhash Kolapkar for a term of five years effective from September 25, 2014 subject to approval of the members in the annual general meeting of the Company.

The Board recommends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the Members.

Registered Office:

B-11 MIDC, Industrial Area, Waluj,

Dist.:- Aurangabad (MS) – 431 136,

By Order of the Board,

Hitesh Saiwal
(Managing Director)

Date: August 12, 2014

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 29th Annual Report, together with the Audited Financial Statements of the Company for the financial year ended March 31, 2014.

FINANCIAL PERFORMANCE:

(Rs. in Lacs)

Particulars	Standalone		Consolidated	
	2014	2013	2014	2013
Revenue from Operations, net of excise	7937.03	7897.92	9967.11	9907.21
Other Operating Revenue	120.32	93.45	131.83	96.24
Other income	198.26	73.99	232.15	133.06
Total income	8255.61	8065.36	10331.09	10136.51
Operating Expenses	6415.99	6226.65	8310.79	7841.53
Profit before finance cost, depreciation and amortisation	1839.62	1838.71	2020.30	2294.98
Finance Cost	34.39	4.03	34.39	4.03
Depreciation and Amortisation Expense	465.67	410.21	559.18	469.33
Profit before tax	1339.56	1424.47	1426.73	1821.62
Provision for tax	497.27	569.26	553.59	729.85
Share of minority interest	-	-	28.64	129.42
Profit after tax	842.29	855.21	844.50	962.35
Add: Balance brought forward from previous year	3612.70	2790.25	3975.20	3045.60
Amount available for appropriation	4454.99	3645.46	4819.70	4007.95
Less: Appropriation/transfer				
Proposed equity dividend	28.00	28.00	28.00	28.00
Corporate dividend tax	4.76	4.76	4.76	4.76
Balance carried to Balance Sheet	4422.23	3612.70	4786.94	3975.19

DIVIDEND :

Your Directors are pleased to recommend a final dividend of Re. 1 per equity share of face value of Rs. 10 each of the Company for the financial year 2013-14 for approval of the members.

OPERATIONS AND FUTURE OUTLOOK :

During the year under review, the Company has achieved net turnover of Rs. 7937.03 lacs as compared to Rs. 7897.92 lacs in last year in spite of slow economic growth, downward trend especially in the automotive sector. The Profit after Tax was slightly down to Rs. 842.29 lacs as compared to Rs. 855.21 lacs from the last year. In spite of sluggish demand across the larger economy, your Company managed to achieve export sale of Rs. 5269.41 lacs as compared to Rs. 5298.80 during the last year.

The year witnessed marginal GDP growth, general slowdown in global economy impacting the demand of export and weak domestic demand due to downswing in automobile sector. The increase in cost of raw material prices, LPG and high interest rate impacted the business during the year.

As per the Economic Survey 2014-15 the Indian Economy is likely to grow in the range of 5.1 to 5.5 percent, moderation in inflation and economic growth coupled with the new government's policies is likely to drive volumes and revive the Indian automobile sector thus creating an environment for growth of the industry. However, the growth may remain moderate in view of steps taken for reviving of investment cycle and benign growth in Asian economy.

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 Section 58A of the Companies Act, 1956.

SUBSIDIARY COMPANY:

Your Company has one subsidiary company *viz.* Diamond Crucible Company Limited having its manufacturing facility at Mehsana, Gujarat. A statement containing summary of financial details of the subsidiary company for the year ended March 31, 2014 is annexed as part of this Annual Report. In terms of general exemption granted under Section 212 (8) of the Companies Act, 1956 by Ministry of Corporate Affairs *vide* its General Circular no. 02/2011 dated February 8, 2011, the Audited Statement of Accounts, Auditors' Report thereon for the financial year ending March 31, 2014 of subsidiary company have not been annexed. However the Company has published the audited consolidated financial statements for the financial year March 31, 2014 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:

The Company has Mr Sadanand Shabde and Mr Subhash Kolapkar as Independent Directors on Board satisfying criteria of Clause 49 of the Listing Agreement. As per Section 149 of the Companies Act, 2013 an Independent Director shall hold office for term up to five consecutive years on the Board of a Company and shall be eligible for re-appointment on passing of special resolution by the Company.

In view of above, the Board of Directors in its meeting held on August 12, 2014 recommended for appointment of Mr Sadanand Shabde and Mr Subhash Kolapkar as an Independent Director for a period of five years from the date of 29th Annual General Meeting subject to approval of Members. The Company has received declarations from the said Independent Directors confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

Mr Stuart Cox, Director retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment. The Board recommends the approval of the same.

CORPORATE SOCIAL RESPONSIBILITY:

The Company has constituted Corporate Social Responsibility (CSR) Committee 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.

ENVIRONMENT, SAFETY AND HEALTH:

The Morgan Group has set up EHS Policy which applies to all Morgan facilities worldwide having a key focus on health and safety of employees, risk assessment, risk management and mitigation of identified risks. The Morgan Group and the Company are always committed to make its manufacturing facility injury free, safe and healthy organisation.

As a commitment towards safety and health environment, the Company has made improvements in certain identified areas and also carried out the well-being programs during the year under review as follows :

Operational :

- Existing Fire Hydrant Systems has been completely replaced with new
- Emphasis on reduction of dust level in the factory
- Machine guarding and LOTO for maintenance safety.

Well-being :

- Installed defibrillator
- RO plant installation for better drinking water to all employees.
- Internal training programs to develop awareness of health and safety environment for employees and contractual labour
- Annual medical check-ups and corrective actions thereon for monitoring health of employees
- Most Mile March' initiative for encouraging employees to walk more, your Company ranked in top five as compared to other Morgan facilities worldwide.

AUDITORS :

The Company's Auditors M/s BSR & Co. LLP (Registration No. 101248W/W-100022) hold office until ensuing Annual General Meeting (AGM) of the Company. 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 BSR & Co. LLP as Statutory Auditors of the Company from the conclusion of the forthcoming Annual General Meeting till the conclusion of the 30th Annual General Meeting to be held in the year 2015 subject to ratification by the Members.

COST AUDIT :

As per the requirement of the Central Government and pursuant to Section 233B of the Companies Act, 1956, the audit of the cost accounts pertains to crucibles and other relevant product group is carried out during the year. Pursuant to the approval of Ministry of Corporate Affairs, Bhaskar Deb, Practising Cost Accountant having membership no. 29769 was appointed as the Cost Auditors for auditing the Company's cost accounts relating to the Company's products for the year ended March 31, 2014. The Cost Audit Report for the financial year ending March 31, 2013 was duly filed by the Company with Ministry of Corporate Affairs.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that 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 as on March 31, 2014 and profit of the Company for the year;
- (iii) that the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a 'going concern' basis.

CORPORATE GOVERNANCE :

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Management Discussion and Analysis, Corporate Governance as well as the Statutory Auditors' Certificate regarding compliance of conditions of Corporate Governance forms part of the Annual Report.

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

As required under Section 217(1)(e) of the Companies Act, 1956 and the Rules made therein, the concerned particulars relating to Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo are given in Annexure, which is attached hereto and forms part of the Directors' Report.