

MORGANITE CRUCIBLE (INDIA) LIMITED



MORGANITE CRUCIBLE (INDIA) LIMITED
32ND ANNUAL REPORT 2016- 17

BOARD OF DIRECTORS : Mukund Bhogale Chairman
 Aniruddha Karve Managing Director
 Ian Keith Arber Director
 Pauline Tan Director
 Mirco Pavoni Director
 Subhash Kolapkar Independent Director
 Maithilee Tambolkar Independent Director

CHIEF FINANCIAL OFFICER : Atithi Majumdar

COMPANY SECRETARY : Rupesh Khokle

STATUTORY AUDITORS : B S R & Co., LLP
 Chartered Accountants, Mumbai.

SECRETARIAL AUDITORS : KMP & Associates

BANKERS : Axis Bank Limited
 State Bank of India
 Industrial Development Bank of India (IDBI)
 UCO Bank

REGISTERED OFFICE AND FACTORY : B-11, MIDC Industrial Area, Waluj,
 Aurangabad – 431 36 Maharashtra India

**REGISTRAR & SHARE
 TRANSFER AGENT**

LINK INTIME INDIA PVT LTD
 C-101, 247 Park, L B S Marg,
 Vikhroli West,
 Mumbai 400 083
 Tel : 91-022-49186000
 Email : rnt.helpdesk@linkintime.co.in

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NOTICE

NOTICE is hereby given that the 32nd ANNUAL GENERAL MEETING of the Members of MORGANITE CRUCIBLE (INDIA) LIMITED will be held on Wednesday, August 9, 2017 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, 2017, including audited Balance Sheet as at March 31, 2017, 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, 2017.
3. To re-appoint Ms Pauline Tan as a Director of the Company who retires by rotation and being eligible for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Section 139, 140, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s B S R & Associates LLP, Chartered Accountants, Pune (Firm Registration No. 116231W/W-100024) be and is hereby appointed as statutory auditors of the Company to hold office from the conclusion of this 32nd Annual General Meeting till conclusion of the 35th Annual General Meeting of the Company subject to ratification by the shareholders at every Annual General Meeting, in place of M/s B S R & Co. LLP, Chartered Accountants, (Firm Registration No. 101248W /W-100022), the existing auditors of the Company whose appointment was subject to ratification at this 32nd Annual General Meeting but who have expressed their unwillingness for re-appointment and that M/s B S R & Associates, LLP, be paid such remuneration inclusive of service tax and such other tax(es) (as may be applicable) and reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company (including terms of payment) as may be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee in connection with the audit of the accounts of the Company for the year ending on March 31, 2018.

Registered Office :
B-11, MIDC, Waluj,
Aurangabad – 431 136
Date : May 25, 2017

By Order of the Board



Aniruddha Karve
(Managing Director)
DIN : 07180005

NOTES :

1. **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.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, August 3, 2017 to Wednesday, August 9, 2017 (both days inclusive)
3. The Final Dividend for the financial year ended March 31, 2017, as recommended by the Board, if approved by the Members, shall be paid within 30 days from the date of declaration to those Members whose names appear in the Register of Members of the Company as on August 2, 2017.
4. 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.
5. 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.
6. 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.
7. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, August 2, 2017, 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.

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

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

In case of members receiving e-mail :

- (A) The voting period begins on August 6, 2017 at 09.00 am and ends on August 8, 2017 at 05.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 2, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on "Shareholders" tab.
 - (iii) Now, select the "Morganite Crucible (India) Limited" from the drop down menu and click on "SUBMIT"
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below :

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> ▶ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. ▶ In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
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> <ul style="list-style-type: none"> ▶ 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 August 6, 2017 at 09.00 am (IST) and ends on August 8, 2017 05.00 pm (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 2, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (D) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
10. The voting rights shall be as per the number of equity share held by the Member(s) as on Wednesday, August 2, 2017. Members are eligible to cast vote electronically only if they are holding shares as on that date.

11. 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.
12. 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.
13. 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.
14. 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.
15. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Link Intime Private Limited, Registrar and Transfer Agent of the Company or they can inform via E-mail at Investor Service Department of the Company at rupesh.khokle@morganplc.com immediately.
16. Members are requested to note that as per Section 124 (5) 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.

Registered Office :
B-11, MIDC, Waluj,
Aurangabad – 431 136
Date : May 25, 2017

By Order of the Board


Aniruddha Karve
(Managing Director)
DIN : 07180005

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

To,
The Members,

Your Directors are pleased to present the 32nd Annual Report, together with the Audited Financial Statements of the Company for the financial year ended March 31, 2017.

FINANCIAL PERFORMANCE :

Particulars	Standalone		Consolidated	
	2017	2016	2017	2016
Revenue from Operations, net of excise	8,584.35	8,738.66	10,768.55	10,840.52
Other Operating Revenue	338.51	128.65	368.58	145.16
Other income	182.24	247.92	245.49	279.92
Total income	9,105.10	9,115.23	11,382.62	11,265.60
Operating Expenses	6,702.84	6,851.25	8,315.20	8,598.26
Profit before finance cost, depreciation and amortisation	2,402.26	2,263.98	3,067.42	2,667.34
Finance Cost	-	-	-	-
Depreciation and amortisation Expense	362.42	710.65	493.89	830.72
Profit before tax	2,039.84	1,553.33	2,573.53	1,836.62
Provision for tax	723.28	565.70	956.67	796.78
Share of minority interest	-	-	164.56	41.08
Profit after tax	1,316.56	987.63	1,452.31	998.76
Proposed equity dividend	224.00	112.00	224.00	112.00
Corporate dividend tax	45.60	22.80	45.60	22.80
Total Outflow	269.60	134.60	269.60	134.60

DIVIDEND :

Your Directors are pleased to recommend a final dividend of ₹ 8/- per equity share, amounting to ₹ 269.60 lakh (including dividend distribution tax) for the financial year 2016-17 for approval of the members in the ensuing 32nd Annual General Meeting of the Company.

OPERATIONS :

Revenue & Profits – Standalone :

The Company has achieved net revenue of ₹ 8,584.35 lakh as compared to ₹ 8,738.66 lakh in the previous year. The export sales were ₹ 5,603.19 lakh as compared to ₹ 5,946.69 lakh in the previous year. The gross profit before tax grew by 3 per cent to ₹ 2,039.83 lakh as compared to ₹ 1,553.33 lakh in the previous year. The operating expenses decreased by 2 per cent to ₹ 6,702.84 lakh as compared to ₹ 6,851.25 lakh in last year.

Revenue & Profits – Consolidated :

During the year under review, the Company has achieved net turnover of ₹ 10,768.55 lakh as compared to ₹ 10,840.52 lakh in the previous year. The gross profit before tax grew by 40 per cent to ₹ 2,573.53 lakh as compared to ₹ 1,836.62 lakh. The operating expenses decreased by 4% to ₹ 8,315.20 lakh as compared to ₹ 8,598.26 lakh in last year.

MACRO ECONOMIC SCENARIOS & BUSINESS PERFORMANCE :

The Indian economy grew by 7.1 per cent in FY 2016-17, making India the fastest growing major economy in the world as per the report of Central Statistics Organisation (CSO) and International Monetary Fund (IMF). The currency crunch that followed the demonetization of high-value notes was widely believed to have impacted consumption and driven down economic growth in Oct-Dec quarter.

Global GDP growth is projected around 3.5 per cent boosted by fiscal initiatives in the major economies. The forecast is broadly unchanged since last year, however consumption, investment, trade and productivity remain subdued. Geopolitical pressures and weak capital investment are weighing on medium-term prospects across many emerging markets and developing economies. Fiscal stimulus in major economies may boost global growth above expectations in the short term, but the likelihood of such policy remains uncertain. The risks to growth forecasts remain tilted to the downside from heightened policy uncertainty in major economies.

With a global supply chain, your company, achieved 80 % of its business (on a consolidated basis) in the crucible market and the remaining in the foundry accessories business; mainly in non-ferrous and ferrous foundries. In line with macroeconomic trends, your company saw double digit growth in the Indian subcontinent, with sales outside of the region dropping steadily as economic worries overtook our export markets.

FUTURE BUSINESS OUTLOOK

In 2017-18, we expect to see strong demand for our products and services in the Indian subcontinent and the Middle East, with flat or declining demand in the markets of Europe, Rest of Asia, North America and South Africa.

In the Indian sales region, our consistent focus on product portfolio management, end customer connections, application engineering and sales effectiveness, coupled with the positive sentiment in the Indian economy will assure us of sales growth in the coming year.

Your company will continue to focus on non-traditional growth opportunities outside the core business in the Indian and export markets.

PRODUCT QUALITY AND RECOGNITION :

Your Company always strives to provide the highest quality product to their customer ensuring consistency in performance, safety, delivering more value and innovation by continuous focus on research and development. The Company encourages employees and customers to provide regular feedback and active participation by various means to develop quality of product and continuous improvement. This commitment is rooted in our corporate values and is essential to our continued growth and success.

Your Company continued to remain ISO 9001 certified for Quality Management System Standards certified from LUCIDEON Management System for continuously demonstrating the focus on product quality and services, to meet statutory and regulatory norms and to increase customer satisfaction throughout its operations.

PUBLIC DEPOSIT :

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS :

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

RELATED PARTY TRANSACTIONS :

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

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

As per Regulation 46 of SEBI LODR Regulations, 2015, the Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions is available on Company's website at <http://www.morganmms.com/engb/investors/>

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

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

SUBSIDIARY COMPANY :

Your Company has one subsidiary company i.e. Diamond Crucible Company Limited having its manufacturing facility at Mehsana, Gujarat. As per provisions of Section 129 (3) of the Companies Act, 2013, a statement containing salient financial highlights of the subsidiary company for the year ended March 31, 2017 is annexed as part of this Annual Report in Form AOC 1 as **Annexure 1**. However, the Company has published the audited consolidated financial statements for the financial year March 31, 2017 and also forms part of this Annual Report. The Annual Accounts of the subsidiary company and related detailed information shall be made available to members of the Company seeking such information and shall be kept open for inspection at the Registered Office of the Company during office hours.

BOARD OF DIRECTORS :

In accordance with provisions of Companies Act, 2013 and the Article of Associations of the Company, Ms Pauline Tan, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered herself for re-appointment.