Morgan
Advanced Materials

Improving Quality of Life

Through Efficient use of World's Resources Using Advanced Material Science and Engineering

Morganite Crucible (India) Limited

Annual Report 2017-18

Contents

Forward looking statements

In this annual report, we have disclosed forward looking information to enable investors comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically produce/publish, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements would be fully realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. If known or unknown risks or uncertainties materialise, or if underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Today's reality.

Depleting fossil fuels. Adverse climatic changes across the globe. Rising threats of global warming.

We strongly believe that the way we use our natural resources today will determine our tomorrow.

That is why, at Morganite Crucible, we strive to embed sustainability into the very fabric of our business, focusing not only on products but also on the mode of our operation.

As a responsible corporate citizen, we have been responding to this global reality with commensurate urgency through our unique business proposition of developing and making use of advanced materials science and engineering, to drive more efficient use of the world's resources and thus help improve the quality of life for the greater good.

Knowing Morganite Crucible (India) Limited

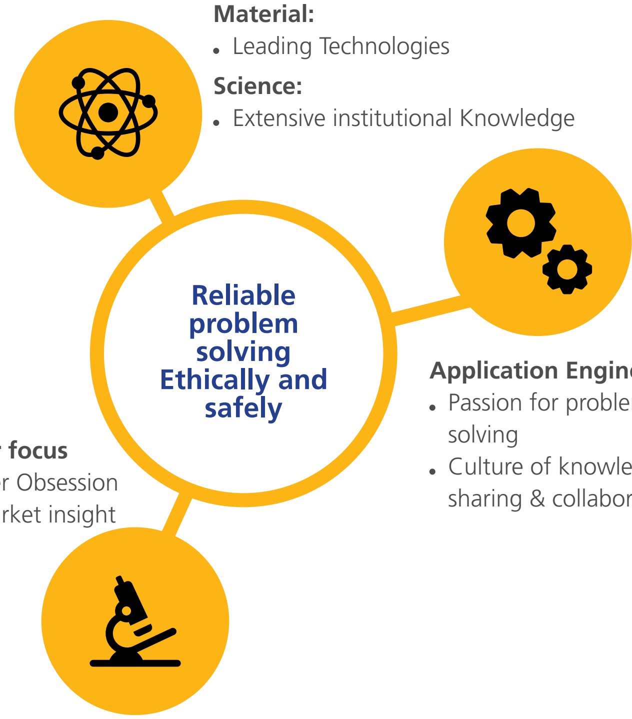
WHO WE ARE

Incorporated in 1986, Morganite Crucible (India) Ltd (MCIL) is a subsidiary of Morgan Advanced Materials Plc, a UK based group, and is a leading manufacturer of ceramic crucibles, crucible accessories, foundry consumables and allied products in India.

Globally renowned as an advanced materials company, Morgan Advanced Materials Plc specialises in providing technically complex, bespoke solutions to its customers, enabling them to address global concerns such as energy demand, healthcare and environmental sustainability.

OUR VISION

Our Vision is to be renowned for world-class Material science, Application Engineering and Customer focus.



Material:
- Leading Technologies

Science:
- Extensive institutional Knowledge

Application Engineering
- Passion for problem solving
- Culture of knowledge sharing & collaboration

Customer focus
- Customer Obsession
- Deep market insight

OUR CORE VALUES

Ambition

We aspire to build our business rapidly and sustainably

Integrity

We act with honesty at all times to safeguard the trust of those that rely on us

Innovation

We seek fresh ways of excelling in all that we do

Collaboration

We support one another actively and contribute to each others' growth

WHAT WE DO

Known for its extensive range of crucible shapes and sizes, the Company is engaged in the manufacturing of silicon carbide and clay graphite crucibles, foundry products and accessories which find application in the non-ferrous and ferrous metal industries. The Company also offers melting solutions to foundries, die-casters and metal melting facilities covering applications including zinc, precious metals, aluminium, copper and other non-ferrous metals.

OUR PRODUCT BASKET

MCIL services a wide range of industries like aerospace, power generation, mining, defence, auto, industrial machinery, sanitary, electrical equipment and railways. We manufacture a wide range of crucibles and foundry products, of different shapes and sizes, enabling us to offer a perfect solution to our customers for their specific applications.

CRUCIBLES






Syncarb Z2e2	Suprex	Sigma	Excel & Himelt	Salamander	Ladle Liners

FOUNDRY PRODUCTS






Degassing Rotors	Blue Lightning Thermocpuple Sheaths	Skimmer bowls	Nozzle	Stopper Rods and Heads	Launders & Liners

Known for their durability, reliability, energy efficiency and superior value offering the products manufactured by Morganite Crucible have helped the Company differentiate itself from the other players in the market and leave a mark of its own.

WHERE WE ARE

MCIL has its state-of-the-art manufacturing facilities located in Aurangabad and Mehsana, India. Supported by a worldwide network of sales team and distribution partners, the Company has a well spread market presence throughout India and across the globe.

OUR QUALITY QUOTIENT

Our relentless focus on delivering quality products to our customers has played a major role in helping the Company attain market-leadership position within its industry space. Excellence of quality and quality-awareness form the very core of our corporate philosophy.

MCIL has a sustained focus on quality through advanced quality planning and through a comprehensive, effective and thorough quality management system based on ISO 9001:2015 certification.

WHAT SETS US APART ?

Morgan, having pioneered the crucible business, enjoys the status of 'most respected brand' in its industry space and commands more than 35% market share even in today's highly competitive market. .

The Company supplies silicon carbide and clay graphite crucibles and foundry products to some of the biggest business houses of the country like Tata group, Hindustan Pencil, Indian Railways, Jindal Saw and Sundaram group, amongst others.

The Company has not only spread its wings domestically but also enjoys a presence across the globe.

The Company has a strong technological support from its parent company, thus helping it stay ahead of the competition by innovating its products and providing solutions for complex challenges in technically demanding applications and collaborating with customers to provide customised solutions.

The Company has a wide product portfolio to address emerging needs.

Message to the Shareholders…

DEAR SHAREHOLDERS,

It gives me immense satisfaction to review the annual report for MCIL. There have been significant positive changes in the Company in the year 2017-18. MCIL has undergone structure simplification to set it up for growth and efficiency improvements for the future. The fundamental change has been the merger between MCIL and DCCL to a single legal entity. The merger between MCIL and DCCL will result in less duplication of effort and a more focussed view of the MMS business in India.

My position in the Morgan Advanced Materials organisation has also changed as of 1 March 2018 and I have left the management of the global MMS organisation to take on a role in the Thermal Ceramics Division leading the Asia region. As a result, Mr Aniruddha Karve has been appointed Managing Director of the MMS global business. You have seen the progress that has been achieved while he has led MCIL and I am confident that MCIL will continue to benefit from his leadership. Both Mr Karve and I will remain on the board of MCIL to ensure that the Company continues to receive the guidance and leadership required for sustainable profitable growth in the coming years.

I look forward to the continued success of MCIL, and thank you for your continued confidence in the Company.

Thank you

Mr Ian Arber,
Managing Director, Thermal Ceramics Asia

From the Managing Director's desk

DEAR SHAREHOLDERS,

It is indeed my pleasure to present the annual report for Morganite Crucible (India) Limited, after another successful year for the Company in 2017-18. Although our Company faced multiple trading headwinds in 2017-18 in the key Indian market (which now accounts for nearly half our revenue) due to disruptions caused by the GST reform, we were able to maintain our revenues for the full year, with the fourth quarter coming in with good results. Rising raw materials prices driven by upward trending commodity markets put pressure on margins, but the Company was able to maintain strong profit margins by emphasizing value propositions with our customers. The coming year should bring stronger revenues and profit margins as we continue to leverage the refreshing of our product portfolio and our entry into market segments other than the non-ferrous crucibles.

We also took major strides in 2017-18 to strengthen our Company's underlying business and governance structure. The acquisition of the full stake in Diamond Crucible Company Limited (DCCL), and the subsequent merger of DCCL into MCIL, greatly simplified the holding structure of the Company as well as reduced redundant administrative processes. The formalization of a dividend policy and the dematerialization of the entire stockholding by all Morgan entities allow increased transparency for our shareholders when deciding their investment strategy. I am also very pleased that our Company's operations in 2017-18 were carried out with increasing efficiency, with the Company making significant strides in reducing energy consumption and completing the entire year without registering a single lost time accident in its factories.

Looking forward to 2018-19, I am confident that the increased focus on revenue growth will yield excellent results as our Company rises to even greater heights. Our product portfolio and market access strategy will continue to improve our competitive position in key existing and new markets. I look forward to bringing you even better results next year. Thank you for your continued confidence in MCIL.

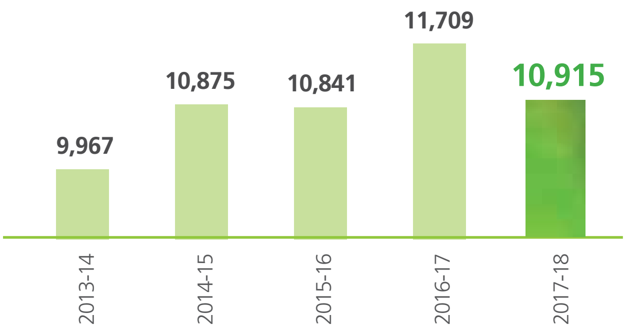
At the close, we thank stakeholders, customers and distributors in reposing their confidence and faith in the Company and to our dedicated employees for their hard work and support in the growth of the business.

Sincerely

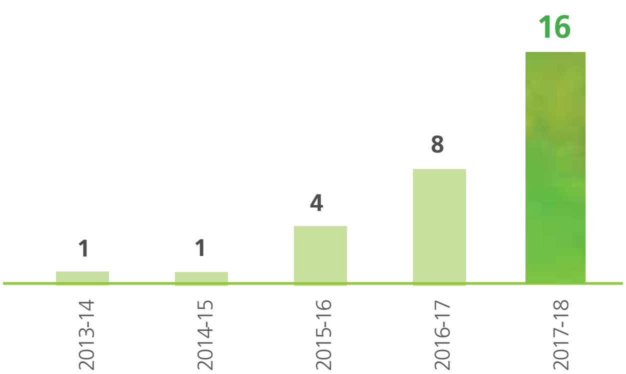
Dr. Aniruddha Karve
Managing Director,
Molten Metal Systems (MMS)

Our story in numbers

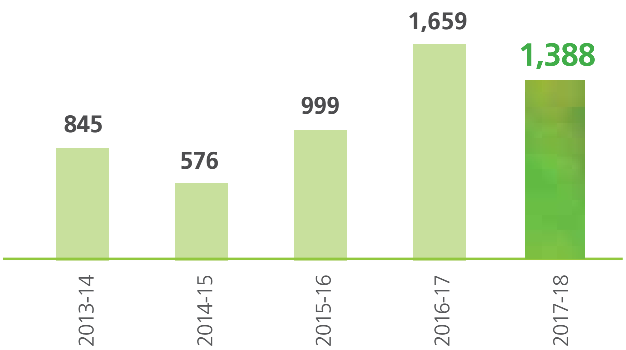
Consolidated Turnover
(Amt in Lakhs)



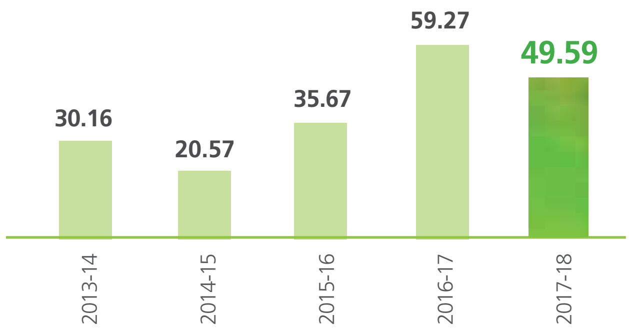
Dividend Per Share
(Amt in INR)



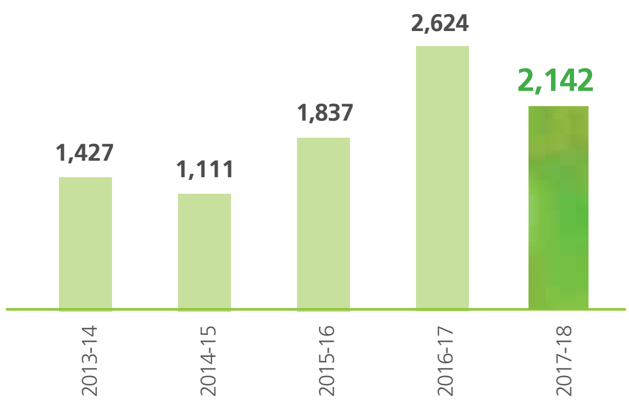
Profit After Tax
(Amt in Lakhs)



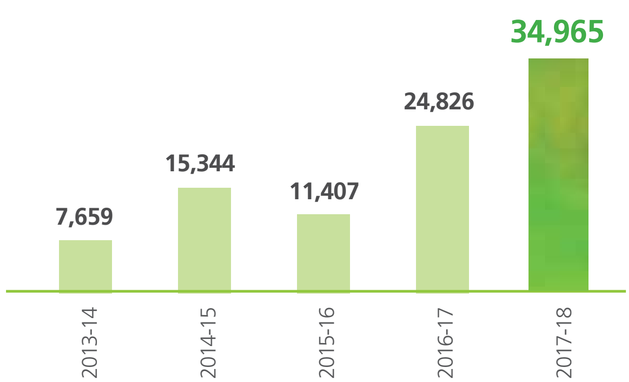
Earning Per Share
(Amt in INR)



Operating Profit
(Amt in Lakhs)



Market Cap
(Amt in Lakhs)



Company Information

Board of Directors

Aniruddha Karve	Director
Ian Arber	Director
Pauline Tan	Director
Mirco Pavoni	Director
Mukund Bhogale	Independent Director
Subhash Kolapkar	Independent Director
Maithilee Tambolkar	Independent Director

Key Managerial Personnel

Meereshwar Reddy	Manager
Atithi Majumdar	Chief Financial Officer
Rupesh Khokle	Company Secretary

Auditors

B S R & Associates LLP
Chartered Accountants
8th Floor, Business Plaza, Westin Hotel Campus
36/3-B Koregaon Park Annex, Mundhwa Road,
Pune - 411 001
Firm Registration No: 116231W/ W-100024

Secretarial Auditors

KMP & Associates
Company Secretaries
7/8, Harnam Plaza, Opp. IDBI Bank, Osmanpura,
Aurangabad – 431 005

Bankers

Axis Bank Limited
State Bank of India
Uco Bank Limited
IndusInd Bank Limited

Registrars & Share Transfer Agents

Link Intime India Private Limited
CIN: U67190MH1999PTC118368
C 101, 247 Park, L B S Marg, Vikhroli West,
Mumbai – 400 083
Tel No: +91 22 49186000 Fax: +91 22 49186060
Email : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

Registered Office and Plant Location

Morganite Crucible (India) Limited Unit: Aurangabad
B-11, MIDC Waluj, Aurangabad – 431 136, Maharashtra

Morganite Crucible (India) Limited Unit: Mehsana
212/C, GIDC Estate, Mehsana – 384 002, Gujarat

Corporate Identity Number (CIN) of the Company :
L26920MH1986PLC038607

NOTICE

NOTICE is hereby given that the 33rd ANNUAL GENERAL MEETING of the Members of MORGANITE CRUCIBLE (INDIA) LIMITED will be held on Wednesday, August 8, 2018 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, 2018, including audited Balance Sheet as at March 31, 2018, 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, 2018.

3. To re-appoint Mr Mirco Pavoni as a Director of the Company who retires by rotation and being eligible offer himself for re-appointment.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL 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 2, 2018 to Wednesday, August 8, 2018 (both days inclusive).

3. The Final Dividend for the financial year ended March 31, 2018, 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 1, 2018.

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 1, 2018, 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 Secretaries, 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 facility for voting, either through electronic voting system or poll paper, shall also be made available at the AGM and the members attending the AGM, who have not already cast their vote by remote e-voting, may excercise their right to vote at the AGM. 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 5, 2018 at 09.00 am and ends on August 7, 2018 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 1, 2018, 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.
Dividend Bank Details OR Date of Birth (DoB)	Enter the Dividend Bank Details or Date of Birth (DoB) as recorded in your demat account or in the company records for the said demat account or folio. • If both the details are not recorded with the depository or company please enter member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on “SUBMIT” tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant "Morganite Crucible (India) Limited" on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) 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 1, 2018. 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 or electronic voting 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 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.

By Order of the Board

Mukund Bhogale	**Aniruddha Karve**
(Chairman)	(Director)
DIN: 00072564	DIN: 07180005

Registered Office:
B-11, MIDC, Waluj,
Aurangabad – 431 136

Date: May 24, 2018

DIRECTORS' REPORT
AND MANAGEMENT DISCUSSION AND ANALYSIS

To,

The Members,

Your Directors are pleased to present the 33rd Annual Report, together with the Audited Financial Statements of the Company for the financial year ended March 31, 2018.

FINANCIAL PERFORMANCE:

(₹ in Lakh)

Particulars	2018	2017
Revenue from Operations	10,915	11,709
Other income	318	245
Total income	**11,233**	**11,954**
Operating Expenses	8,668	8,864
Profit before finance cost, depreciation and amortisation	**2,565**	**3,090**
Depreciation and Amortisation Expense	423	466
Profit before tax	**2,142**	**2,624**
Provision for tax	754	965
Share of minority interest	-	-
Profit after tax	**1,388**	**1,659**
Proposed equity dividend	448	224
Corporate dividend tax	92	46
Total Outflow	**540**	**270**

PERFORMANCE REVIEW:

During the year under review, the Company has achieved net turnover of ₹ 10,915 lakh as compared to ₹ 11,709 lakh in the previous year. The gross profit before tax were ₹ 2,565 lakh as compared to ₹ 3,090 lakh. The operating expenses decreased by around 2% to ₹ 8,668 lakh as compared to ₹ 8,864 lakh in last year.

DIVIDEND:

Your Directors are pleased to recommend a final dividend of ₹ 16/- per equity share, amounting to ₹ 540 lakh (including dividend distribution tax) for the financial year 2017-18 for approval of the members in the ensuing 33rd Annual General Meeting of the Company.

MANAGEMENT DISCUSSION & ANALYSIS:

The Indian economy is expected to witness further improvement in the coming fiscal year in view of normalization in cash conditions and the fading of GST disruptions. Over the medium term, India's growth will gradually rise with continued implementation of structural reforms that will raise productivity and incentivise private investment. India's continues focus on structural reforms will help to reduce internal barriers to trade, increase efficiency and improve tax compliance.

India's Consumer Price Index (CPI) inflation further softened to a five-month low of 4.3% year-on-year (YoY) in Mar'18 from 4.4% YoY in the previous month, marking the slowdown in inflation for the third consecutive month. The inflation changeover determined was expected as per market expectations with softening in food inflation which fell to a five-month low of 2.8% YoY in Mar'18. The inflation in the fuel group also softened to a six-month low of 5.7% YoY in Mar'18 from 6.8% in Feb'18. However, global crude oil prices continued their rise recently amidst geopolitical tensions.

With these recent improvements, the International Monetary Fund (IMF) in its latest World Economic Outlook (WEO) has projected India to grow at 7.4% in 2018 and 7.8% in 2019 and seen India to be emerged as fastest growing economy in coming years. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

The growth in advanced economies gained momentum in 2017. The recovery was markedly stronger than expected in the Euro Area and, to a lesser degree, in the United States and Japan. As economic slack diminishes and monetary policy becomes less accommodative, growth is expected to gradually moderate yielding low potential growth rates in 2018-20. Growth in China continues to be resilient, with drivers of activity shifting away from state-led investment.

Your company expects to fully leverage these favourable economic conditions to focus on its agenda for growth. While growth in the core crucible market is likely to be gradual, the Company is focused on increasing their presence in adjacent and related markets, with the phased introduction of superior foundry products for the non-ferrous and ferrous foundry industries, as well as targeted entry into the upstream aluminium processing segments. The strong automotive and durable goods sectors, along with infrastructure investments, will continue to be the demand drivers for our products.

Your company will also renew its focus on developing overseas markets, with favourable market conditions presenting themselves in renewed mining activity in Mexico, equatorial countries of South America and South East Asia. We will expect to fully deploy technology transferred from Europe from 2016-2018 to address these markets. Simultaneously, your company continuous its focus on achieving cost competitiveness through focused cost optimisation, productivity improvements and value engineering.

SUBSIDIARY COMPANY:

During the year under review, your company has purchased 49% stake of Diamond Crucible Company Limited (DCCL) from Terrassen Holdings Limited in the month of July, 2017 resulting in DCCL became wholly owned subsidiary of your Company. Further, both the Companies are in same line of business and share common Morgan corporate value and culture. With a view to maintain simple corporate holding structure and to eliminate duplicate corporate procedures, it was desirable to integrate and combine both the entities which results in achieving economies of scale, reduction in managerial and administrative overheads and operational rationalisation. Accordingly, your Company submitted application before the National Company Law Tribunal, (NCLT) Mumbai bench for approval of Scheme Amalgamation between Diamond Crucible Company Limited and Morganite Crucible (India) Limited. The NCLT has approved the said amalgamation of both the Companies on February 22, 2018 from an appointed date of October 1, 2017. As per the NCLT Order, the Company is publishing the complete financial statements for the financial year ending March 31, 2018 therefore AOC-1 which prescribes a statement containing salient financial highlights of the subsidiary company for the year ended March 31, 2018 is not applicable.

The related detailed information of the subsidiary company 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.

CHANGES IN SHARE CAPITAL

In compliance with the NCLT Order, the authorised share capital of your Company is increased from ₹ 50,000,000/- to ₹ 54,500,000/- divided into 54,50,000 equity shares of ₹ 10/- each and paid-up capital stood at ₹ 28,000,000/-.

PUBLIC DEPOSIT:

The Company has not accepted any deposits from the public/members under Section 73 of the Act read with Companies (Acceptance of Deposits) Rules, 2014 during the financial year under review.

RELATED PARTY TRANSACTIONS:

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

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.

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/en-gb/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 or commitments given which affects the financial position of the Company between the end of the financial year and the date of the report.

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.

BOARD OF DIRECTORS:

In accordance with provisions of Companies Act, 2013 and the Article of Associations of the Company, Mr Mirco Pavoni, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

The evaluation of Board including independent directors was carried out based on parameters of attendance in every Board and Committee meeting, participation in discussions and independent judgement. The Board carried out annual performance evaluation of the Board Committees and Individual Directors, internally. The performance of each Committee was evaluated by the Board, based on report on evaluation received from respective Board Committees.

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 the familiarisation program for Independent Directors including details of Nomination Remuneration committee and their roles and responsibility are provided in the Corporate Governance Report. The evaluation of Board including independent directors was carried out based on parameters of attendance in every Board and Committee meeting, participation in discussions and independent judgement.

The Board of Directors and Senior Management Personnel has confirmed compliance to the Code of Conduct of the Company and submitted the required annual compliance declaration to the Company Secretary. Mr. Anirudha Karve, Director has given affirmation to the Code of Conduct as attached **Annexure - 4**.

The details of the familiarization program for Independent Directors are posted on the website of the Company and can be accessed at - http://www.morganmms.com/en-gb/investors/

BOARD MEETINGS AND ANNUAL GENERAL MEETING:

During the year the Board met six times on May 25, 2017, June 26, 2017, August 10, 2017, November 9, 2017, February 8, 2018 and March 8, 2018. The 32nd Annual General Meeting was held on August 9, 2017. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178 (3) and Section 197 (12) of the Companies Act, 2013, read with Rule 5 of Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure - 1** to the Board's report.

PARTICULARS OF EMPLOYEES:

During the year under review, no employee was in receipt of remuneration of ₹ 120 lakh or more, or employed for part of the year and in receipt of ₹ 8.50 lakh 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 adopted a policy on Prevention of Sexual Harassment at Workplace. During the year, the Company has not received any complaint with allegations of sexual harassment.

RISK MANAGEMENT POLICY:

Morgan Group has established a risk management methodology which seeks to identify, prioritise and mitigate risks, underpinned by a ‘three lines of defence’ model comprising an internal control framework, internal monitoring and independent assurance processes. The Morgan Group considers risk management and internal control are fundamental to achieving and delivering long-term sustainable growth in shareholder value. The Risk Framework covers business, operational and financial risks reviewed by the Committee on a periodic basis.

During the year, the Committee in its meeting held on November 9, 2017 has reviewed risk relating to competition, operations, people management and development, product quality, technological obsolescence, quality of contract, external risks of previous year and development of action plan as prepared by the management for mitigating such risks relating to above risks in the future.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Your Company’s CSR efforts are focused on supporting physically challenged students, youth and girls by through various assistance programs in the domains of education, health and environment. During the year your Company has spent CSR funds on improvement in health and safety of students at schools and orphanages, saving in operating expenses by installing solar panels at their facilities etc. Further, the Company has been exploring CSR projects for implementation in coming year hence could not spent complete amount during the financial year.

The Company has formulated a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as recommended by the Corporate Social Responsibility Committee and approved by the Board of Directors.

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

The CSR activities as undertaken by the Company are attached as **Annexure - 2** and form part of this annual report.

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee has been vested with the authority to, inter alia, recommend nominations for Board Membership and senior management position of the Company and establishing criteria for selection to the Board with respect to the competencies, qualifications, experience, integrity and succession plans. The committee comprises of independent and non-executive directors of Board which details are given in Corporate Governance Report.

During the year, the Nomination and Remuneration Committee met once on March 8, 2018 for considering appointment of Mr Meereshwar Reddy as ‘Manager’ under provisions of Companies Act, 2013 and re-designation of Mr Aniruddha Karve from ‘Managing Director’ to Director (Non-executive) effective from April 1, 2018.

PRODUCT QUALITY AND CERTIFICATIONS:

The Technical Services and Product Development (TSPD) team continues to strive to achieve Morgan’s vision of becoming a world class material science company with required application engineering and reliable problem solving capabilities, delivered ethically and safely to the customers we serve. The TSPD team have continuous focus on new product development and product enhancement by introducing process changes, re-engineering and re-designing projects. Your Company is also focusing on product applications for aluminium degassing, hopper linings, anti-vortex plates, aluminium scrap melting, ductile iron flow control and induction furnace crucibles.

Your Company continues to remain ISO 9001:2015 certified for Quality Management System Standards certified by LUCIDEON Management Systems for continuously demonstrating focus on customer satisfaction through product quality and services delivery, and on meeting statutory and regulatory norms.

ENVIRONMENT, HEALTH AND SAFETY (EHS):

The Morgan Group's EHS Policy sets out the Group's commitment to protect and enhance the environment and to the health and safety of all those affected by our operations. The governance of Morgan's EHS Policy is achieved through performance monitoring, risk assessment and the management and mitigation of identified risks to help provide continuous improvement in EHS performance in support of the Company's and Group's strategic priorities. With the long-term aim of a 'zero harm' workplace, Morgan is committed to its health and safety core values and to conducting all its activities in a manner that achieves high standards of health and safety for all employees and stakeholders. The Morgan Group's long-term objective is 'zero harm'. We aim to deliver year-on-year improvements in performance as we progress towards this objective. Your Company is committed to providing an injury-free and environment-friendly workplace and improved wellbeing of employees and contract workforce by regularly organising occupational health examinations, consultation and counselling.

There were no lost time accidents in your Company's sites since August, 2014, however during the year there were 16 first aid injuries reported and immediate action has been taken on the observations of unsafe actions and unsafe conditions. Further, regular monitoring of air, water and soil pollution was being carried out throughout the year through external agencies.

Operational, Health and Safety Improvements:

– Enhanced Efficiency of Kiln-3 through Recuperator at Mehsana unit
– Drying and standardisation of process at Mehsana unit as per global norms
– LPG leak detection system provided at entire plant in Aurangabad and Mehsana unit
– Graphite handling system for indirect firing installed at Mehsana unit

Well-being:

– Fall protection improvement for work at height at MMS India
– Installed food waste decomposing machine of 50kg /day capacity to maintain of the garden in place on inorganic fertilizer.
– Regular internal training/programs for developing awareness on health, safety and environment of employees and contractual labour
– Annual medical check-ups was completed and suggestions has been given for monitoring health of employees and contractual labour
– Behavioural Based Safety audits

FINANCE AND TAXATION:

During the Financial year 2017-18, your Company has successfully made the transition from the indirect tax regime to Goods & Service Tax (GST) with the help of an internal cross functional team. All necessary configuration changes have been implemented in our SAP ERP systems for both the sites at Aurangabad & Mehsana. All the subsequent compliances post implementation of GST, like filing of various returns like GSTR 3B, GSTR 1 etc., have been fully complied with.

During the financial year 2017-18, your Company has carried forward and continued the good work of its effort to liquidate the accumulated balances lying in CENVAT credit account as per provision of Excise laws and we have liquidated almost the entire amount and received the refund from the Authority before implementation of GST.

Your Company has continued to apply for Export Incentives under Merchant Export Incentive Schemes (MEIS) as part of the Foreign Trade Policy 2015-20. During the year 2017-18, we have actually received Duty Benefit Scripts of ₹ 157.63 Lakh.

Regarding our application for Advance Pricing Agreement (APA) with the CBDT & Govt. of India for International Intercompany related party transactions with Associated Enterprises (AE), the APA Commissioner, Mumbai is yet to give us a scheduled date for the plant visit as they are giving priority to applications filed before March 2015. We expect to make further progress in successfully executing the APA during FY 2018-19 as this will give us certainty in tax treatment on transactions with our Parent Company as well as other Morgan group companies.

During 2017 the Morgan Group introduced a new reward and recognition scheme, the Chairman's Awards. This is an awards scheme to reward distinctive contributions made by Morgan employees in six categories - Materials Science, Application Engineering, Customer Focus, Functional Excellence, Ethical and Safe Working. Your Company was recognized and honoured with two of these six awards – for Customer Focus and Ethical and Safe Working.

RESPONSIBILITY BUSINESS PROGRAMME (RBP) AND LEGAL GOVERNANCE:

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

Raising awareness of, and educating employees on, Group compliance policies and the applicable laws and regulations is a fundamental part of the RBP. Group-wide induction training is given to all employees in management positions or who interact with third parties ('relevant employees') on human rights, anti-bribery and corruption, anti-competitive practice and contract risk awareness.

Your Company is committed to conduct its business in compliance with a range of national and international laws and regulations relating with bribery and corruption, human rights, trade/export compliance and competition/anti-trust activities. The Export Compliance Policy and dedicated in-house review mechanism helps the Company to screen and identify the restricted parties in regulated countries where your Company operates.

The Group plans to introduce a Code of Business Conduct to strengthen the framework for its stated Leadership behaviour of 'working ethically and safely'. This will be supported by an updated training programme, both online and face to face as needed, to assist in the transition to the Code.

HUMAN RESOURCES:

Your Company understands that in order to achieve higher productivity and overall performance of the Company, the active engagement of all employees are essential. As part of its growth journey, your Company aligns its organisational structure with its strategic business plan for enhanced effectiveness. Moreover, your Company will continue to undertake initiatives to enhance productivity and efficiency which motivates its people to take professional challenges and to help to create a happy, transparent and productive environment. The Morgan Group's execution priorities will continue into 2018, for increasing investment in people development including key functional and technical skills and the development of future leaders.

During the year, your company has organised nearly 83 functional and leadership training programs for nurturing existing people's talent and motivating them to attain organisation goals. The employee turnover ratio was around 18.29 as at end of March 31, 2018 as compared to 10.21 in the previous year.

During the year, your Company has signed an updated Wage Agreement with the Union for a period of 3 years with moderate increase in permanent worker wages every year without affecting its continuous business operation.

The Morgan Group recognises the accomplishments of its people individually and as teams, and makes awards to acknowledge achievement, loyalty, and innovation. Recognition awards continue to be made across local businesses as well as to senior management, with awards linked to business performance.

Your Company has conducted various training programme such as 'Unfold leaders on you', ISO 9001:2015 'Risk Analysis and Action Deciding', 'Hazard Identification & Risk Assessment – HIRA', 'Stress Management & Naturopathy' and other technical and functional trainings to the employee and workmen of the Company.

AUDITORS:

Statutory Auditors

M/s B S R & Associates LLP, Chartered Accountants, Pune (Registration No. 116231W/W-100024) were appointed as Statutory Auditors of the Company from conclusion of 32nd Annual General Meeting until conclusion of 35th Annual General Meeting subject to ratification by members in every annual general meeting.

Further, Section 40 of the Companies (Amendment) Act, 2017 and Section 139 of the Companies Act, 2013 as notified by the Central Government on May 7, 2018, the ratification of statutory auditor at every general meeting is no longer required however M/s B S R & Associates LLP, Chartered Accountants, has submitted their eligibility to continue as Statutory Auditor of the Company for the financial year 2018-19 on such remuneration and out-of-pocket expenses as agreed between the Board or Committee and the Statutory Auditors in the Board of Directors meeting held on May 24, 2018.

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

Secretarial Auditor

M/s KMP & Associates, (ACS 32369 / COP 11947) Practicing Company Secretaries, were appointed to conduct the Secretarial Audit of the Company for the financial year 2017-18, as required under Section 204 of the Companies Act, 2013 and rules thereunder. The Secretarial Audit Report for financial year 2017-18 forms part of the Board's 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 2018-19.

There has been no qualification, reservation, adverse remark or disclaimer given by Secretarial Auditor in their report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company conducts its business operations with integrity and high standards of ethical behaviour and in compliance with the laws and regulations that govern its business. Your Company has a well-established framework of internal controls in operation, supported by Morgan Group's policies and guidelines, including periodic monitoring, assessment and internal audit. M/s R D Jaiswal & Co., Chartered Accountant, was appointed as internal auditors of the company to conduct internal audits for the financial year 2017-18. M/s R D Jaiswal & Co. has conducted internal audit on half yearly basis and detailed report was submitted to Audit Committee. Further, the Audit Committee reviews the adequacy and effectiveness of the implementation of audit recommendations, including those relating to strengthening your company's risk management policies and systems.

Your Company has implemented Internal Financial Controls (IFC) with required policies and procedures in its business operation. Further as required under Section 177(4)(vii) of the Companies Act, 2013, ("Act") the Audit Committee needs to evaluate internal financial control system of the Company and make further reporting to the Board and as per Section 143(3) (i) of the Companies Act, 2013 the Statutory Auditor of the Company is required to make representation in their Auditor Report that the Company has adequate internal financial control system in place and operating effectively.

During the year, your Company as well as internal auditor has made periodic checks relating to prevention and detection of frauds and errors, accuracy and completeness of accounting records, timely preparation of financial statements and applicable statutory compliances to the Company's business. The internal auditor and statutory auditor during their audit have not found any significant gaps for the financial year 2017-18 however have made certain recommendation for continuous improvement of the process.

ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of annual return referred to in sub-section (3) of Section 92 is appended as **Annexure 5** to the Board's Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

(i) In the preparation of the annual accounts for the financials year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and profit of the Company for the year;

(iii) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) The Directors have prepared the annual accounts on a 'going concern' basis;

(v) The directors have laid down internal financial controls, which are adequate and are operating effectively;

(vi) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

CORPORATE GOVERNANCE:

As required under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, the auditors' certificate regarding compliance of conditions of Corporate Governance is appended as **Annexure 6** to the Board's Report.

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

The particulars as prescribed under Sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are enclosed as **Annexure 7** to the Board's report.

VIGIL MECHANISM / 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.morganmms.com/en-gb/investors/

ACKNOWLEDGEMENTS:

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

For and on behalf of the Board

Mukund Bhogale	**Aniruddha Karve**
(Chairman)	(Director)
DIN: 00072564	DIN: 07180005

Place : Aurangabad
Date : May 24, 2018

ANNEXURE 1

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 2017-18

Name of Director	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
Aniruddha Karve	Managing Director	15.72	6%

Note:

* Employees for the purpose above include all employees excluding employees governed under collective bargaining. The employees of Diamond Crucible Co. Ltd. are not considered for deriving above figure.

ii. The percentage increase in remuneration of Chief Financial Officer and Company Secretary during the financial year 2017-18 -

Name	Designation	Percentage increase in Remuneration
Atithi Majumdar	Chief Financial Officer	8%
Rupesh Khokle	Company Secretary	8%

iii. The percentage increase in the median remuneration of Employee for the financial year was 8.1 per cent.

iv. There were 81 employees on rolls of the Company as on March 31, 2018*.

v. **Relationship between average increase in remuneration and Company performance**

The yearly increment in the remuneration is given based on employee performance, market trends and general practice in same industry.

vi. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the company**

The increase in remuneration and variable bonus payout are based on the performance rating and market trend which was duly reviewed by Nomination and Remuneration Committee for Managing Director.

vii. The Market Capitalisation of the Company as on March 31, 2018 was ₹ 3,496.5 million as compared to ₹ 2482.62 million as on March 31, 2017. The price earnings ratio of the Company was 25.18 as at March 31, 2018 and was 14.95 as at March 31, 2017. The closing share price of the Company at BSE Limited on March 31, 2018 was ₹ 1,248.75/- per equity share of face value of ₹ 10/- each as compared to share price of ₹ 886.65/- per equity share as on March 31, 2017.

viii. Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 9.11 per cent. 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 2

During the year the Company has undertaken CSR activities in line with CSR policy and as per approval of the Board.

During the year, the Company undertook the following CSR activities –

Summary of CSR Activity	
Anand Aashram	Distribution of winter clothing to physically challenged children.
ISKON	Provided Solar Power Grid to save in energy costs of the facilities.
Jijamata Orphanage	Modification of kitchen for providing improved quality of food to residence students and other internal building maintenance to add washroom facility for students

Annexure 3

Secretarial audit report for the financial year ended March 31, 2018

[Pursuant to Section 204(1) of Companies Act 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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 2018 (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, 2018, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**;

   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during the Audit Period)**;

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**;

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**;

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India;

(ii) The Listing Agreements entered into by the Company with Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards, where we observed that:

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

We further report that:

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

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

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

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

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

The Company had applied to Central Government under Section 196,197 & Schedule V of Companies Act, 2013 reads with Rule 3 of Companies (Appointment and Remuneration Personnel) Rules, 2014 for waiver of excess remuneration paid to Late Mr Hitesh Saiwal upto 30th April, 2015 and the Central Government vide its Order dated 11th August, 2017 has rejected the said application and asked the Company to recover the excess amount paid to earlier Managing Director. Based on Order, the Company sent recovery notice to legal heirs of Late Mr Hitesh Saiwal for recovery of such excess remuneration and in response to the reply received from legal heirs of Late Mr Hitesh Saiwal, the Company has filed the application with the Central Government to reconsider its aforesaid Order.

For **KMP & Associates**
Company Secretaries

Sd/-

CS Mandar Takalkar
Partner
ACS 32369
COP 11947

Place: Aurangabad
Date: 24.05.2018

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

Annexure "A"

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

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

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

For **KMP & Associates**
Company Secretaries

Sd/-

Mandar Takalkar
Partner
ACS 32369
COP 11947

Place: Aurangabad
Date: 24.05.2018

Annexure 4

Annual Compliance Certificate pursuant to Regulation 34(3) read with part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I Aniruddha Ajit Karve, hereby declare that all members of Board of Directors of the Company and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ending March 31, 2018.

Aniruddha Karve
(Director)
DIN: 07180005

Date : May 7, 2018
Place : Aurangabad

Annexure 5

Extract of Annual Return

FORM NO. MGT-9

[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	January 13, 1986
iii)	Name of Company	Morganite Crucible (India) Limited
iv)	Category / Sub Category of the Company	Company limited by shares Public non-government company
v)	Address of the Registered Office	B-11, Waluj, MIDC, Aurangabad – 431 136, Maharashtra Telephone : +91 240-6652514 Email Address : Rupesh.Khokle@morganplc.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact Number of RTA, if any	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083 Tel No: +91 22 49186000 Fax: +91 22 49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr No	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Crucibles	99889	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Morganite Crucible Limited Add: Quadrant, 55-57, High Street, Windsor, Berkshire, United Kingdom SL 4 LP	N.A.	Holding	38.50	Section 2 (46)
2	Morgan Terrassen B V Add: Kernweg 32, 1627LH, Hoorn	N.A.	Holding	36.50	Section 2 (46)

IV. 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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	–	–	–	–	–	–	–	–	–
(2) Foreign									
- Bodies Corporate	10,78,000	10,22,000	21,00,000	75.00	10,78,000	10,22,000	21,00,000	75.00	0.00
Total shareholding of Promoter (A)	**10,78,000**	**10,22,000**	**21,00,000**	**75.00**	**10,78,000**	**10,22,000**	**21,00,000**	**75.00**	**0.00**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	100	500	600	0.02	100	500	600	0.02	0.00
c) FIIs	26,617	–	26,617	0.96	34,088	–	34,088	1.22	0.26
Sub-total (B)(1):-	**26,717**	**500**	**27,217**	**0.98**	**34,188**	**500**	**34,688**	**1.24**	**0.26**
2. Non-Institutions									
a) Bodies Corp.	25,799	–	25,799	0.92	16,656	–	16,656	0.59	-0.33
i) Indian	–	–	–	–	–	–	–	–	0.00
ii) Overseas	–	–	–	–	–	–	–	–	0.00
b) Individuals	–	–	–	–	–	–	–	–	0.00
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	508,826	92,509	601,335	21.48	512,534	86,809	599,343	21.40	-0.08
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	–	–	–	–	–	–	–	–	–
c) Others									
Hindu Undivided Family	28,151	–	28,151	1.00	27,092	–	27,092	0.97	-0.03
Non Resident Indians (Non-rep)	3,275	200	3,475	0.12	4,091	200	4,291	0.15	0.03
Non Resident Indians (Repat)	10,947	–	10,947	0.39	7,423	–	7,423	0.27	-0.13
Clearing Members	3,076	–	3,076	0.11	10,507	–	10,507	0.38	0.26
Sub-total (B)(2):-	**580,074**	**92,709**	**672,783**	**24.02**	**578,303**	**87,009**	**665,312**	**23.76**	**0.13**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**606,791**	**93,209**	**700,000**	**25.00**	**612,491**	**87,509**	**700,000**	**25.00**	**0.39**
C. Shares held by Custodian for GDRs & ADRs	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Grand Total (A+B+C)	**16,84,791**	**11,15,209**	**28,00,000**	**100**	**16,90,491**	**11,09,509**	**28,00,000**	**100**	**–**

ii) Shareholding of Promoter-

Sr No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	MORGANITE CRUCIBLE LIMITED	10,78,000	38.50	–	10,78,000	38.50	–	–
2	MORGAN TERRASSEN BV	10,22,000	36.50	–	10,22,000	36.50	–	–

iii) Change in Promoters' Shareholding (please specify, if there is no change)

There are no changes in the Promoter's shareholding during the Financial Year 2017-18.

iv) Shareholding Pattern of top ten Shareholders:

(other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**HMG FINANCE A/C HMG GLOBETROTTER**				
	At the beginning of the year	22,628	0.80	22,628	0.80
	Bought during the year	–	–	22,628	0.80
	Sold during the year	–	–	22,628	0.80
	At the end of the year	**22,628**	**0.80**	**22,628**	**0.80**
2	**VIJAY PRAKASH GUPTA**				
	At the beginning of the year	14,394	0.51	14,394	0.51
	Bought during the year	–	–	14,394	0.51
	Sold during the year	–	–	14,394	0.51
	At the end of the year	**14,394**	**0.51**	**14,394**	**0.51**
3	**AMIT SHANTILAL MOTLA**				
	At the beginning of the year	6,500	0.23	6,500	0.23
	Bought during the year	5,500	0.19	12,000	0.42
	Sold during the year	–	–	12,000	0.42
	At the end of the year	**12,000**	**0.42**	**12,000**	**0.42**
4	**NEETA H. MEHTA**				
	At the beginning of the year	11,678	0.41	11,678	0.41
	Bought during the year	–	–	11,678	0.41
	Sold during the year	100	0.003	11,578	0.41
	At the end of the year	**11,578**	**0.41**	**11,578**	**0.41**
5	**DANESH BOMAN IRANI**				
	At the beginning of the year	3,479	0.12	3,479	0.12
	Bought during the year	8,087	0.29	11,566	0.41
	Sold during the year	–	–	11,566	0.41
	At the end of the year	**11,566**	**0.41**	**11,566**	**0.41**
6	**GYMKHANA PARTNERS L.P.**				
	At the beginning of the year	3,989	0.14	3,989	0.14
	Bought during the year	7,471	0.27	11,460	0.41
	Sold during the year	–	–	11,460	0.41
	At the end of the year	**11,460**	**0.41**	**11,460**	**0.41**
7	**VIPULKUMAR SHAH**				
	At the beginning of the year	10,000	–	10,000	0.36
	Bought during the year	–	–	10,000	0.36
	Sold during the year	–	–	10,000	0.36
	At the end of the year	**10,000**	**–**	**10,000**	**0.36**
8	**VASUDEO RAJENDRA DESHPRABHU**				
	At the beginning of the year	–	–	–	–
	Bought during the year	9,692	0.35	9,692	0.35
	Sold during the year	–	–	9,692	0.35
	At the end of the year	**9,692**	**0.35**	**9,692**	**0.35**

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
9	**GAURANG N SHAH**				
	At the beginning of the year	–	–	–	–
	Bought during the year	9,670	0.35	9,670	0.35
	Sold during the year	–	–	9,670	0.35
	At the end of the year	**9,670**	**0.35**	**9,670**	**0.35**
10	**RAJENDRA JAGJIVANDAS SHAH**				
	At the beginning of the year	7,713	0.28	7,713	0.28
	Bought during the year	–	–	7,713	0.28
	Sold during the year	13	0.00	7,700	0.28
	At the end of the year	**7,700**	**0.28**	**7,700**	**0.28**

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 2017-18

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. **Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹ in Lakh)

Sr. No	Particulars of Remuneration	Name of Managing Director	Total Amount
		Aniruddha Karve	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	102.48	102.48
	(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	-	-
	- as % of profit	-	-
	others, specify…	-	-
5	Performance Bonus	16.46	16.46
	Total (A)	**118.94**	**118.94**
	Ceiling as per the Act*	**141.14**	**141.14**

*(As per Section 198 of the Companies Act, 2013, 5% of Net Profits of the Company amounts to ₹ 113.07 lakhs. However, in case of inadequacy of profits the limits as per part II of Schedule V of Companies Act 2013 for the Company based of its effective capital being in range of ₹ 5 crores to ₹ 100 crores is Rs. 84 lakhs. Further since the remuneration is approved by a special resolution, the said limit is doubled to ₹ 168 lakhs. Shareholders of the Company have approved remuneration of ₹ 141.14 through a special resolution based on limits prescribed under Schedule V to Companies Act 2013.)

B. Remuneration to other directors

(₹ in Lakh)

Sr. No	Particulars of Remuneration	Name of Directors			Total Amount
		Mukund Bhogale	Subhash Kolapkar	Maithilee Tambolkar	
1	Independent Directors				
	Fee for attending board committee meetings	1.00	1.20	0.80	3.00
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	**1.00**	**1.20**	**0.80**	**3.00**
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**1.00**	**1.20**	**0.80**	**3.00**
	Total Managerial Remuneration (A)+(B)				**121.94**
	Overall Ceiling as per the Act**				**135.68**

** (being 6% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in Lakh)

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	23.79	10.92	32.42
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.51	0.38	3.18
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others – Performance Incentive	1.99	1.08	3.06
	Total	**26.29**	**12.38**	**38.66**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

Annexure 6

Auditors Certificate on Corporate Governance

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

This certificate is issued in accordance with the terms of our engagement letter dated 05 March 2018.

We have examined the compliance of conditions of Corporate Governance by Morganite Crucible (India) Limited ('the Company'), for the year ended 31 March 2018, as per regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's responsibility

The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Management is also responsible for providing all relevant information to the Securities and Exchange Board of India.

Auditor's responsibility

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have conducted our examination in accordance with Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

Opinion

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 per regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

Restrictions on Use

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

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No: 116231W/W-100024

Shiraz Vastani
Partner
Membership number: 103334

Place: Pune
Date: 24 May 2018

Annexure 7

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:

- Optimisation and procedural change in operation of Kilns
- Continuous recovery of waste heat in clay graphite production process
- Upgradation of Kiln with regenerative burner system to achieve LPG saving
- Air pipeline replacement at Mehsana unit to save electrical energy
- Total capital investment made during the year for above activities was around ₹ 3.50 crores.

B. Technology Absorption, Adaptation & Innovation:

The efforts made towards technology absorption –

- Heat Treatment Container for pencil lead heating
- Improvement in crucible coating for high purity aluminium, erosion resistance and non-sticking of metal to the crucible
- Foundry products for ferrous application such as stopper rod for SG Iron, ladle liner and hoper bricks etc.
- Introduction of de-gassing machine for aluminium de-gassing

The benefits derived like product improvement, cost reduction, product development or import substitution –

- Penetrating new market segments
- By introducing heat treatment container, process waste can be recycled
- Improvement in quality and life of the product

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –

- The Company has neither imported any technology from last three years nor during the financial year ending 2017-18 for reporting purpose.

Foreign Exchange Earnings and Outgo:

(₹ in Lakh)

Foreign Exchange Earnings	5,661.90
Foreign Exchange Outgo	2,161.14

For and on behalf of the Board

Mukund Bhogale
(Chairman)
DIN: 00072564

Aniruddha Karve
(Director)
DIN: 07180005

Place : Aurangabad
Date : May 24, 2018

CORPORATE GOVERNANCE REPORT

1. MORGAN'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate responsibility is integral to the Morgan Group; it means a commitment to behaving with integrity and having a positive impact on employees, stakeholders and the communities in which it works. Morganite Crucible (India) Limited ("the Company") business practices are strictly aligned with the Morgan Group's core value i.e Innovation, Collaboration, Integrity and Ambition. The Company is continuously emphasising on effecting Morgan's vision towards Material Science, Application Engineer and Customer & Market Focus. The Company's philosophy of Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of its business and in meeting its obligations to stakeholders, and is guided by a strong emphasis on transparency, accountability and integrity.

The Corporate Governance Code as introduced by Morgan seeks to protect, recognize and facilitate shareholders rights and ensure timely and accurate disclosure to them as well as statutory bodies. The Board of Directors of 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 Company believes in sustainable and profitable growth over the years which emanates from the top leadership down through the organisation to the various stakeholders and reflected in its sound financial system, enhanced market reputation and improved efficiency.

2. BOARD OF DIRECTORS

a. Composition of Board

As on March 31, 2018 the Board comprises of 7 Directors out of which 6 are Non-Executive Directors (more than 75% of the total Board strength) and among these 6 Non-Executive Directors, 3 are Independent Directors. The composition of the Board is in conformity with the Listing Regulations with combination of Executive and Non-Executive Directors with at least one Women Director and not less than fifty percent of the Board comprising of Non-Executive Directors and at least one-third of the Board comprising of Independent Directors for a Board chaired by Non-Executive Independent Director. During the year, the Board of Directors met on six occasions on May 25, 2017, June 26, 2017, August 10, 2017, November 9, 2017, February 8, 2018 and March 8, 2018. 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/ Chairmanship of Committees of other Public Companies	Attendance	
				Board Meetings	AGM
Mr Mukund Bhogale (Chairman)	Non-Executive Independent	1	-	5	Yes
Mr Aniruddha Karve (Managing Director) (Upto March 31, 2018)	Executive	1	-	6	Yes
Mr Ian Keith Arber* (Director)	Non-Executive	1	-	6	Yes
Ms Pauline Tan^ (Director)	Non-Executive	-	-	6	Yes
Mr Mirco Pavoni~ (Director)	Non-Executive	-	-	5	Yes
Mr Subhash Kolapkar (Independent Director)	Non-Executive Independent	-	-	6	Yes
Ms Maithilee Tambolkar (Independent Director)	Non-Executive Independent	-	-	4	Yes

excludes directorship in private limited companies, alternate directorship and companies incorporated outside India and also includes directorship held in Diamond Crucible Company Limited (DCCL), subsidiary company upto the date of amalgamation.

– There are no Nominee Directors on the Board

– There are no inter-se relationship between Board members

– * Mr. Ian Keith Arber has participated 3 Board Meeting through video conferencing

– ^ Ms Pauline Tan has participated 4 Board Meetings through video conferencing

– ~ Mr. Mirco Pavoni has participated 5 Board Meeting through video conferencing

As per the requirements of Regulation 17 of SEBI (LODR) Regulations, 2015, the Company's Board has an optimum combination of Executive, Non-Executive and Independent Directors with one woman Director. The Board meets the requirements of SEBI (LODR) Regulations, 2015 and the applicable provisions of the Companies Act, 2013.

b. Board Evaluation

In terms of the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 the Board has carried out the annual performance evaluation of its own including its various committee.

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

c. Independent Directors

As per Regulation 25 of SEBI LODR and Section 149 (6) of the Companies Act, 2013, the independent directors of the Company had duly contributed and shared their views and opinions in the Board and Committee meetings held during the year.

The Company has 3 independent directors on board as on March 31, 2018 and none of director is serving more than seven listed entities as an independent director.

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

d. Familiarisation Program for Directors

The Company conducts Familiarization Programme for the Independent Directors to provide them an opportunity to familiarize with the Company, its Management and operations enabling them on clear understanding of their roles, rights and responsibilities and contribute significantly towards the growth of the Company. In compliance to Regulation 25 (7) of SEBI LODR, the Directors including Independent Directors of the Company provided with insights on various aspects on company performance, compliance status, detailed information on regulatory amendment, mandatory information as per listing regulations, financial performance of subsidiary company, capex information, regulatory updates at Board and Audit Committee meeting, Internal Controls and Morgan policy and procedures etc.

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/en-gb/investors/

e. 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.

3. BOARD COMMITTEES:

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

a. AUDIT COMMITTEE

The Audit Committee comprises of the following Directors:

1. Mr Mukund Bhogale – Chairman and Independent Director
2. Mr Subhash Kolapkar – Independent Director
3. Ms Maithilee Tambolkar – Independent Director
4. Ms Pauline Tan – Non-executive Director

All the Members of the Audit Committee possess strong accounting and financial management knowledge. The Company Secretary act as the Secretary to the committee.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on August 9, 2017. In addition to the above, the Committee meetings were also attended by the Chief Financial Officer and Statutory Auditor of the Company.

The terms of reference of the Audit Committee are very wide and are in line with the regulatory requirements mandated by the Companies Act, 2013. Besides having the required information from the Company, the Committee can investigate any activity within its terms of reference, also can seek information from any employee, to obtain outside legal or other professional advice and 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 functions. This includes having 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; Recommending for appointment, remuneration and terms of appointment of auditors of the company; approval of payment to statutory auditors for any other services rendered by the statutory auditors; reviewing, with the management, quarterly and annual financial statements and auditors report thereon before submission to the board for approval; review and monitor the auditor's independence and performance, and effectiveness of audit process; approval or any subsequent modification of transactions of the company with related parties; scrutiny of inter-corporate loans and investments; valuation of undertakings or assets of the company, wherever it is necessary; evaluation of internal financial controls and risk management systems; reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

Further, the Committee continues to review the adequacy of internal audit function and discussion with internal auditors for any significant findings and follow up thereon; review of 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; to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, 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; review the functioning of the Whistle Blower mechanism, carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Committee met six times during the year under review. The Committee meetings were held on May 25, 2017, June 26, 2017, August 10, 2017, November 9, 2017, February 8, 2018 and March 8, 2018. The audit committee has also invited Directors, Finance Head and other executives as may be deemed fit during the meeting. The gap between two meetings not exceeded one hundred and twenty days. The details of attendance of the meeting are as follows:

Name	No. of meetings attended
Mr Mukund Bhogale	5
Mr Subhash Kolapkar	6
Ms Maithilee Tambolkar	4
Ms Pauline Tan	6

The brief terms of reference of Audit Committee is also available on Company's website at following weblink – http://www.morganmms.com/en-gb/investors/

b. NOMINATION AND REMUNERATION COMMITTEE

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

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

1. Mr Subhash Kolapkar – Chairman and Independent Director
2. Mr Mukund Bhogale – Independent Director
3. Mr Ian Keith Arber – Non-Executive Director

The Nomination and Remuneration Committee has been vested with the authority to, inter-alia, recommend nominations for Board membership, develop and recommend policies with respect to composition of the Board, 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.

The scope of committee also includes formulation of criteria for evaluation of Independent Directors and the Board, devising a policy on Board diversity, identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

The Chairman of the Nomination and Remuneration Committee i.e. Mr Mukund Bhogale was present at the 32nd Annual General Meeting held on August 9, 2017 to answer the shareholders queries. During the year under review, one meeting was held on March 8, 2018.

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

During the year under review, Mr Aniruddha Karve has drawn the remuneration as per below -

Particulars	Amount in ₹
Salary & Allowances	10,247,584
Performance Bonus	16,46,165
Total	**11,893,749**

Notes:

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

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

Sitting fees paid to Independent Directors during the financial year 2017-18 are given below:

Particulars	**Amount in ₹**
Mr Mukund Bhogale	100,000
Mr Subhash Kolapkar	120,000
Ms Maithilee Tambolkar	80,000
TOTAL	**300,000**

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

c. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee functions under the Chairmanship of Mr Mukund Bhogale, Independent Director. Mr Subhash Kolapkar and Mr Aniruddha Karve were member of the Committee. Mr Rupesh Khokle, Company Secretary act as a Compliance Officer of the Committee.

The Stakeholders Relationship Committee meets on periodically basis as and when required for the matter of transfer/ transmission of securities, issue of duplicate share certificates and monitor redressal of the grievances of the security holders of the Company, non-receipt of annual report, non-receipt of dividend etc. In view of expediting the process to resolve the investor requests/grievances, the Committee has delegated the authority to certain officials of the Company to approve transfer/transmission not more than 10,000 ordinary equity shares per transfer provided that transferee does not hold 1,00,000 or more equity in the Company. The committee is also authorised to approve transmission of shares and issue of duplicate share certificate.

The Committee met 4 times during the year i.e on June 26, 2017, August 10, 2017, November 9, 2017 and March 8, 2018. During the year, the Company has only received one complaint from the shareholder which was satisfactorily resolved within duration. As on financial year ending March 31, 2018, no complaints were pending with the Company. Further, the company has successfully addressed the queries raised by shareholders regarding financial performance of the company during 32nd Annual General Meeting of the Company and any other requests from time to time. The details of attendance of meeting are as per below -

Name	**Attended**
Mr Mukund Bhogale	4
Mr Aniruddha Karve	4
Mr Subhash Kolapkar	4

d. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

1. Mr Mukund Bhogale – Chairman and Independent Director
2. Mr Aniruddha Karve – Director
3. Mr Ian Keith Arber – Non-executive Director

The role of this committee includes being 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, consider and recommend various Schemes/Projects for financial assistance for approval of Board of Directors of the Company, 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, also 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 & ensure receipt of statement of expenditure duly certified by an authorized auditor of such organizations/institutions to whom CSR Fund is allocated.

During the year under review, the committee met once on November 9, 2017.

During the year, the Company has undertaken the following CSR activity –

Summary of CSR Activity	
Anand Aashram	Distribution of winter clothing to physically challenged children.
ISKCON	Provided Solar Power Grid to save in energy costs of the facilities.
Jijamata Orphanage	Modification of kitchen for providing improved quality of food to residence students and other internal building maintenance to add washroom facility for students

e. RISK MANAGEMENT COMMITTEE

The Board considers that risk management and internal control are fundamental to achieving aim of delivering long-term sustainable growth to shareholder's value. Risks are identified by assessing their inherent impact and mitigated probability to ensure that residual risk exposures are understood and prioritised for control throughout the Company. 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.

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

1. Mr Mukund Bhogale – Chairman and Independent Director
2. Mr Aniruddha Karve – Director
3. Mr Ian Keith Arber – Non-executive Director
4. Ms Pauline Tan – Non-executive Director

4. GENERAL BODY MEETINGS

a. The details of the General Body meetings held in the last three years and in current year are given below:

Financial Year	Venue	Type of Meeting	Date	Time	Special Resolution Passed
March 31, 2015	**Registered Office of the Company:**	AGM	September 22, 2015	11.00 AM	Yes
March 31, 2016	B-11,MIDC Industrial Area,	AGM	August 10, 2016	11.00 AM	Yes
March 31, 2017	Waluj, Aurangabad– 431136,	AGM	August 9, 2017	11.00 AM	No
March 31, 2018	Maharashtra, India	EGM	November 2, 2017	11.00 AM	Yes

b. Postal Ballot

During the year the Company has passed one special resolution through postal ballot process as mentioned below –

1. Approval of Scheme of Amalgamation pursuant to Section 230 and 232 and other applicable provisions of the Companies Act, 2013 of Diamond Crucible Company Limited with Morganite Crucible (India) Limited and their respective shareholders and creditors

   The Postal Ballot Notice containing Special Resolution together with the statement to the Postal Ballot Notice was sent to all the Shareholders on September 29, 2017 and the last date for receipt of postal ballot forms duly completed, from the shareholders was November 1, 2017. Mr. Prasad Takalkar (FCS: 8514), Practicing Company Secretary, Partner of M/s. KMP & Associates, Company Secretaries was appointed as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

   A summary of Postal Ballot Form (PBF) received/ Votes Cast through e-Voting is as under:

Total Number of Votes casted through Physical and Electronic Mode	Number of votes casted in favour of resolution	Number of shares in favour of resolution	Number of votes casted against resolution	Number of shares against the resolution
25	25	21,37,626	Nil	Nil

The Scrutinizer has submitted their result for the votes cast through remote e-voting and postal ballots forms to the Chairman of the Board and accordingly the Chairman as on November 2, 2017 declared that the above resolution, as set out in the Notice dated September 25, 2017, have been passed with requisite majority by the Members of the Company.

There is no immediate proposal for passing any resolution through Postal Ballot.

5. DISCLOSURES:

a. Related Party Transactions

During the year, the Company has taken omnibus approval from the Audit Committee in their meeting held on May 25, 2017 for the transactions entered with the related parties during the year. The transactions with related parties were also being reviewed on quarterly basis at every Audit Committee meeting and ensured that the same were at arms' length basis.

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

http://www.morganmms.com/en-gb/investors/

b. 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.

c. Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company has adopted Indian Accounting Standards (Ind AS) from April 1, 2017. Accordingly the financial statements on quarterly, half yearly and annually are prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016.

d. Statutory Compliance

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

e. 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.

f. Succession Planning

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

g. Shareholders' Information

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

Mr Mirco Pavoni

Mr Mirco Pavoni joined as Non-executive Director of the Company effective from August 13, 2015 is liable to retire by rotation in ensuing Annual General Meeting pursuant to provisions of Section 152 (6) of the Companies Act, 2013 and offer himself for reappointment.

Mr Mirco Pavoni is presently acting as Global Technology Director for Morgan Molten System (MMS) and 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.

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.

h. 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/en-gb/investors/

i. CEO/CFO Certification:

As required under Regulation 17(8) of the Listing Regulations, the Chief Executive Officer (Manager) & Chief Financial Officer of the Company have jointly certified to the Board regarding the financial statements for the year ended March 31, 2018.

j. Means of Communication:

The Company regularly communicates with stakeholders through various means such as dissemination of information on the Company's website, stock exchange, press releases, the Annual Reports and uploading relevant information on the Company's website.

The unaudited quarterly, half-yearly and audited yearly financial results of the Company were submitted to the stock exchange and published on Company's website immediately after the Board meeting and these financial results were also published in two leading newspapers – Business Standard (English) & Sakal (Marathi). No presentations have been made to institutional investors or analysts.

k. 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 http://www.morganmms.com/en-gb/investors/. All the Board members and senior management personnel have complied with the code of conduct.

l. Whistle Blower Policy and Vigil Mechanism:

In compliance with SEBI LODR, the Company has set up a Whistle Blower Policy with a view to provide a mechanism for directors and employees of the Company to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. The ethics policy poster having dedicated e-mail address and toll free number are placed in various places of company's premises and no personnel has been denied access to the audit committee for reporting purpose as well as the said policy is also posted on the company's website which can be accessible on the following weblink-http://www.morganmms.com/en-gb/investors/

m. Subsidiary Company:

Morganite Crucible (India) Limited (MCIL) was holding 51 per cent stake in the Diamond Crucible Company Limited (DCCL) having its manufacturing facility at Mehsana, Gujarat. During the year, the Company has purchased balance 49 per cent from Terrassen Holdings Limited at a consideration of ₹167.5 Million and DCCL becomes hundred per cent subsidiary of the Company.

The Company had submitted the application for amalgamation between Morganite Crucible (India) Limited and Diamond Crucible Company Limited before National Company Law Tribunal (NCLT), Mumbai Bench and the NCLT has approved the said scheme of amalgamation on February 22, 2018 from appointed date October 1, 2017.

Mr Mukund Bhogale, Chairman of the Board, was nominated as Non-executive Director of DCCL.

Pursuant to Regulation 24 of LODR, the Audit Committee of the Company has reviewed the financial statements of DCCL and Board minutes held during the year. It was also noted that DCCL has not entered into any significant transactions and arrangements in the financial year 2017-18.

6. GENERAL INFORMATION FOR SHAREHOLDERS:

a. Date, Time and Venue of 33rd Annual General Meeting:

Date & Time: Wednesday, August 8, 2018 at 11:00 AM

Venue: B-11, MIDC Area, Waluj, Aurangabad – 431 136, Maharashtra

b. Tentative Financial Calendar for the year 2018-19:

Financial year: April 1, 2018 to March 31, 2019

First Quarter results: August 9, 2018

Half Yearly results: Second week of November, 2018

Third Quarter results: Second week of February, 2018

Results for year-end: Third week of May, 2019

c. Date of Book Closure:

August 2, 2018, Thursday to August 8, 2018, Wednesday (both days inclusive)

d. Dividend:

The Board of Directors in its Board meeting held on May 24, 2018 has recommended a dividend ₹ 16/- per equity share for the financial year 2017-18 subject to approval of shareholders which shall be paid on or before of September 7, 2018.

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 ₹
2016-17	₹ 8	09/08/2017	08/09/2017	454,704
2015-16	₹ 4	10/08/2016	09/09/2016	316,924
2014-15	₹ 1	22/09/2015	21/10/2015	51,225
2013-14	₹ 1	25/09/2014	24/10/2014	50,249
2012-13	₹ 1	25/09/2013	24/10/ 2013	48,939
2011-12	₹ 1	17/08/2012	16/09/ 2012	2,229

f. Listing Details:

Name of Stock Exchange: Bombay Stock Exchange Limited

Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001

Security Code: 523160

ISIN Number: INE599F01012

g. Corporate Identity Number (CIN) of the Company : L26920MH1986PLC038607

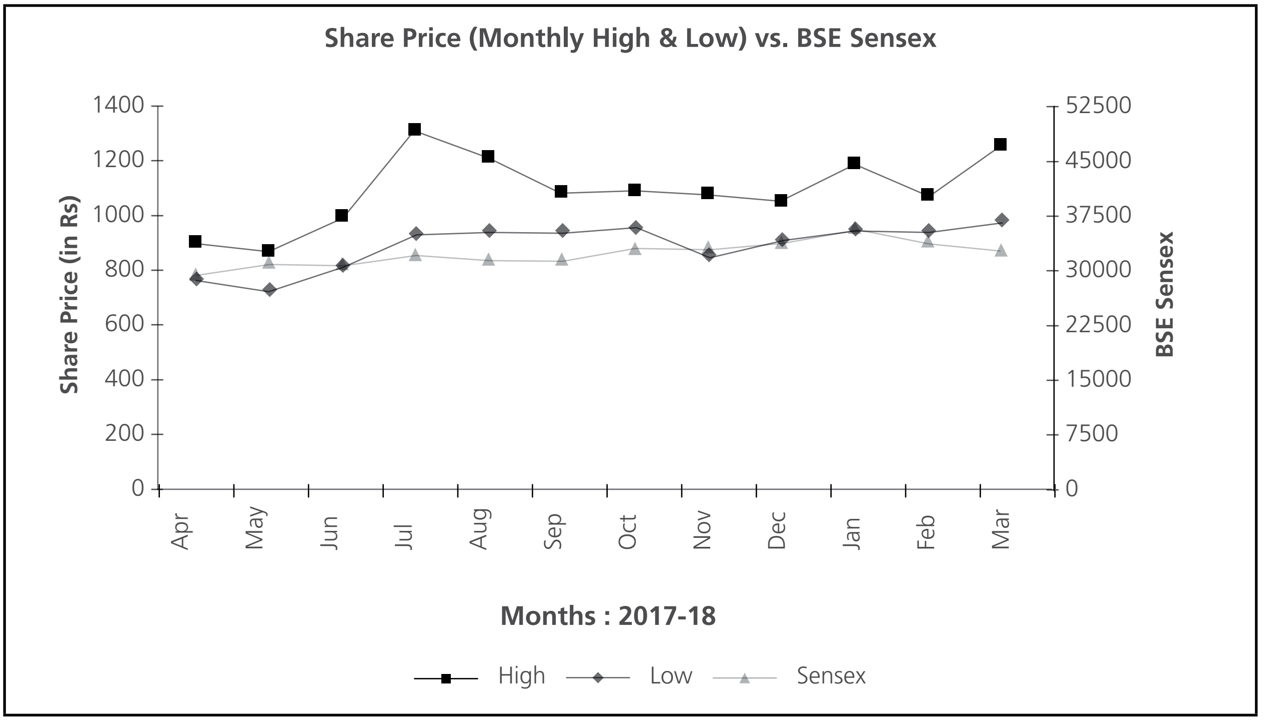
The annual listing fee for the financial year 2018-19 has been duly paid to the above stock exchange.

h. Market Price Data:

High, Low and number of equity shares traded during each month in the year 2017-18 on BSE :

Month	High	Low	Volume
Apr-17	898.00	761.15	530
May-17	870.00	731.50	689
Jun-17	993.90	813.10	934
Jul-17	1,320.00	930.00	2,148
Aug-17	1,214.00	945.00	966
Sep-17	1,100.00	941.10	696
Oct-17	1,096.00	959.90	618
Nov-17	1,086.90	860.05	974
Dec-17	1,056.95	905.00	847
Jan-18	1,199.00	950.00	1,537
Feb-18	1,081.50	940.30	2,398
Mar-18	1,265.00	985.05	1,184

Performance of the share price of the Company in comparison to the BSE Sensex:



i. Distribution of Shareholding as at March 31, 2018:

Sr No	Particulars	No. of Shares	No. of Shareholders	% of Share Capital
1	Promoter			
	a. Morganite Crucible Limited	10,78,000	1	38.50
	b. Morgan Terrassen B V	10,22,000	1	36.50
2	Institutions	34,688	4	1.24
3	Individual	599,343	3,040	21.41
3	HUF	27,092	108	1.00
4	NRI Non Rep / Rep	11,714	79	0.40
5	Clearing Members	10,507	40	0.36
6	Bodies Corporate	16,656	53	0.59
	TOTAL	**28,00,000**	**3,366**	**100.00**

j. 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, 1,690,491 Equity Shares representing 60% of the total Equity Capital of the Company were held in dematerialized as on March 31, 2018.

k. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

l. Share transfer system:

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

m. Registered and Plant Location:

Morganite Crucible (India) Limited Unit: Aurangabad
B-11, MIDC Waluj, Aurangabad – 431 136 (MS)

Morganite Crucible (India) Limited Unit: Mehsana
212/C, GIDC Estate, Mehsana – 384 002, Gujarat

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

Link Intime India Private Limited
C 101, 247 Park, L B S Marg, Vikhroli West,
Mumbai – 400 083
Tel No: +91 22 49186000 Fax: +91 22 49186060

Investor contact details will be as follows :

Share / Bond Registry	rnt.helpdesk@linkintime.co.in bonds.helpdesk@linkintime.co.in	+91 22 49186270

For and on behalf of the Board

Mukund Bhogale
(Chairman)
DIN: 00072564

Aniruddha Karve
(Director)
DIN: 07180005

Place : Aurangabad
Date : May 24, 2018

CEO(MD)/CFO CERTIFICATION TO THE BOARD

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of their knowledge and belief:

   i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or 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 internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit Committee -

   i) Significant change in internal control over financial reporting during the year;

   ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Meereshwar Reddy
(Manager)

Atithi Majumdar
(Chief Financial Officer)

Place : Aurangabad
Date : May 21, 2018

Independent Auditor's Report

To the Members of
Morganite Crucible (India) Limited

Report on the Audit of Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Morganite Crucible (India) Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit / loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS 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 of Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

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

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 2018, and its profit and other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Emphasis of Matter

During an earlier year, the Company had paid managerial remuneration to Late Hitesh Saiwal- Managing Director amounting to ₹ 102.07 lakhs which was in excess of the limits specified in section 197 read with Schedule V of the Act by ₹ 73.01 lakhs. The Company had made an application to the Central Government for waiver of such excess remuneration paid. During the year ended 31 March 2018, the Central Government has rejected the said application by its Order dated 11 August 2017. Further, based on the management's evaluation of the response received from legal heirs of Late Hitesh Saiwal to the notice sent for recovery of such excess remuneration, the Company has filed the application with the Central Government to reconsider its aforesaid Order.

Our opinion is not modified in respect of this matter.

Other Matter

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 25 May 2017 and 30 May 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

   c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B", and

   g) With respect to the other matters to be included in the Auditors' 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 Ind AS financial statements – Refer note 30 to the Ind AS financial statements.

ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited financial statements for the period ended 31 March 2017 have been disclosed.

For B S R & Associates LLP
Chartered Accountants
Firm Registration No: 116231W/ W-100024

Shiraz Vastani
Partner
Membership No.: 103334

Place: Pune
Date: 24 May 2018

Annexure A to the Independent Auditor's Report - 31 March 2018

With reference to the Annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2018, we report that:

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

(b) The Company has a regular program of physical verification of its fixed assets by which its fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this program, all fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of the immovable properties are held in the name of the Company.

(ii) The inventory, except good-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between physical stocks and book records were not material.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans, made any investments or provided any guarantees or security to which the provisions of section 185 and 186 of the Act apply. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits in accordance with the provisions of sections 73 to 76 of the Act and the rules made there under.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the goods manufactured by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income tax, Sales tax, Service tax, Value added tax, Duty of customs, Duty of excise, Goods and services tax and any other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Service tax, Sales tax, Value added tax, Duty of customs, Duty of excise, Goods and services tax and any other statutory dues were in arrears as at 31 March 2018, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Value added tax, Service tax, Duty of Customs, Duty of Excise and Goods and services tax which have not been deposited with the appropriate authorities on account of any dispute except as disclosed below.

(₹ In lakhs)

Name of the Statute	Nature of dues	Amount*	Amount paid under protest	Period to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	18.96	-	2005-06 to 2009-10	Central Excise Appellate Tribunal
Central Excise Act, 1944	Excise duty	4.12	-	April 2013 to September 2015	Commissioner of Central Excise and Service Tax (Appeal)
Finance Act, 1994	Service Tax	13.02	-	April 2012 to August 2015	Assistant Commissioner of Central Excise and Service Tax audit

Name of the Statute	Nature of dues	Amount*	Amount paid under protest	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	153.42	20.00	2011-12	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	110.46	80.30**	2012-13	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income tax	15.92##	15.92	2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	7.20##	1.08	2010-11	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income tax	36.95##	36.95	2010-11 to 2011-12	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	119.18##	117.51	2012-13 to 2014-15	Commissioner of Income Tax (Appeal)

(*excluding interest and penalty)

(**includes amount of advance tax of ₹ 72.47 lakhs adjusted against demand order)

(##pertains to erstwhile Diamond Crucible Company Limited, which has been amalgamated with the Company)

(viii) In our opinion and according to the information and explanations given to us, the Company did not have any outstanding dues to any financial institution, banks, government or any debentures during the year.

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act. However, in an earlier year, the Company had paid managerial remuneration to Late Hitesh Saiwal- Managing Director amounting to ₹ 102.07 lakhs which was in excess of the limits specified in section 197 read with Schedule V of the Act by ₹ 73.01 lakhs. The Company had made an application to the Central Government for waiver of such excess remuneration paid. During the year ended 31 March 2018, the Central Government has rejected the said application by its Order dated 11 August 2017. Further, based on the management's evaluation of the response received from legal heirs of Late Hitesh Saiwal to the notice sent for recovery of such excess remuneration, the Company has filed the application with the Central Government to reconsider its aforesaid Order. Refer note 40 to the Ind AS financial statements.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as per the Act.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Act and the details, as required by the applicable accounting standards have been disclosed in the financial statements.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to register under section 45-IA of the Reserve Bank of India, 1934.

For B S R & Associates LLP
Chartered Accountants
Firm Registration No: 116231W/ W-100024

Shiraz Vastani
Partner
Membership No.: 103334

Place: Pune
Date: 24 May 2018

Annexure B to the Independent Auditor's Report - 31 March 2018

Referred to in paragraph 2(f) in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the members of Morganite Crucible (India) Limited on the Ind AS financial statements for the year ended 31 March 2018.

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

We have audited the internal financial controls with reference to financial statements of Morganite Crucible (India) Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for the Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B S R & Associates LLP
Chartered Accountants
Firm Registration No: 116231W/ W-100024

Shiraz Vastani
Partner
Membership No.: 103334

Place: Pune
Date: 24 May 2018

Balance Sheet
as at March 31, 2018

₹ Lakhs

	Note	31-Mar-18	31-Mar-17	1-Apr-16
ASSETS				
Non-current assets				
Property, plant and equipment	5	**2,590.31**	2,335.78	2,191.77
Capital work-in-progress	5	**15.56**	249.90	266.21
Goodwill	37	**137.81**	137.81	137.81
Other intangible assets	6	**2.01**	10.29	48.57
Financial assets				
i. Other financial assets	7	**58.22**	52.94	65.11
Deferred tax assets (net)	8	**54.85**	96.26	98.41
Income tax assets (net)		**245.63**	156.06	145.61
Other non-current assets	9	**149.62**	216.19	230.11
Total non-current assets		**3,254.01**	**3,255.23**	**3,183.60**
Current assets				
Inventories	10	**1,783.96**	1,580.71	1,674.90
Financial assets				
i. Trade receivables	12	**1,696.51**	1,841.52	1,772.51
ii. Cash and cash equivalents	13	**3,600.21**	3,187.14	1,594.46
iii. Other balances with banks	14	**438.18**	1,399.07	1,265.50
iv. Loans	11	**11.46**	5.24	3.91
v. Derivative Contract Assets		**-**	19.51	-
vi. Other financial assets	15	**7.30**	34.49	7.98
Other current assets	16	**625.15**	469.80	872.40
Total current assets		**8,162.77**	**8,537.48**	**7,191.66**
Total assets		**11,416.78**	**11,792.71**	**10,375.26**

Balance Sheet

as at March 31, 2018

₹ Lakhs

	Note	31-Mar-18	31-Mar-17	1-Apr-16
EQUITY AND LIABILITIES				
Equity				
Equity share capital	17	280.00	280.00	280.00
Other equity	18	8,812.34	7,690.77	6,181.16
Total equity		9,092.34	7,970.77	6,461.16
Liabilities				
Non-current liabilities				
Provisions	19	-	16.24	13.95
Income tax liabilities (net)		-	-	68.09
Total non-current liabilities		-	16.24	82.04
Current liabilities				
Financial liabilities				
i. Trade payables	20	1,752.30	1,296.56	1,257.36
ii. Contractual Liability		-	1,675.00	1,675.00
iii. Derivative Contract Liability		0.40	-	-
iv. Other financial liabilities	21	209.22	275.72	412.89
Other current liabilities	22	143.11	191.56	192.05
Provisions	23	120.75	146.15	124.34
Income tax liabilities (net)		98.66	220.71	170.42
Total current liabilities		2,324.44	3,805.70	3,832.06
Total liabilities		2,324.44	3,821.94	3,914.10
Total equity and liabilities		11,416.78	11,792.71	10,375.26
Significant accounting policies	3			
Notes to the financial statements	4-44			

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 & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W / W-100024

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

Shiraz Vastani
Partner
Membership No : 103334
Place : Pune
Date : 24 May 2018

Aniruddha Karve
Director
DIN : 07180005
Place : Aurangabad
Date : 24 May 2018

Mukund Bhogale
Director
DIN : 00072564
Place : Aurangabad
Date : 24 May 2018

Atithi Majumdar
Chief Financial Officer
Place : Aurangabad
Date : 24 May 2018

Rupesh Khokle
Company Secretary
Place : Aurangabad
Date : 24 May 2018

Meereshwar Reddy
Manager
Place : Aurangabad
Date : 24 May 2018

Statement of Profit and Loss

for the year ended 31 March 2018

₹ Lakhs

	Note	For the year ended 31-Mar-18	For the year ended 31-Mar-17
INCOME			
Revenue from operations	24	**10,914.94**	11,708.64
Other income	25	**318.37**	245.49
Total income		**11,233.31**	**11,954.13**
EXPENSES			
Cost of materials consumed	26	**3,484.11**	3,679.26
Changes in inventory of finished goods, work-in-progress and stock-in-trade	27	**155.06**	(22.57)
Excise duty		**178.30**	571.51
Employee benefit expenses	28	**1,687.73**	1,507.87
Depreciation and amortization expense		**422.65**	466.33
Other expenses	29	**3,163.01**	3,127.57
Total expenses		**9,090.86**	**9,329.97**
Profit before tax		**2,142.45**	**2,624.16**
Tax expense			
Current tax	8	**714.05**	954.51
Deferred tax charge	8	**39.96**	10.14
Total tax expense		**754.01**	**964.65**
Profit for the year		**1,388.44**	**1,659.51**
Other comprehensive income/(loss)			
Item that will not be reclassified subsequently to profit or loss			
Remeasurements gains/(losses) on defined benefit plans		**4.18**	(23.09)
Income tax relating to item that will not be reclassified to profit or loss		**(1.45)**	7.99
Other comprehensive income / (loss) for the year, net of tax		**2.73**	**(15.10)**
Total comprehensive income for the year		**1,391.17**	**1,644.41**
Earnings Per Share: (face value of ₹ 10 per share)			
Basic (₹)		**49.59**	59.27
Diluted (₹)		**49.59**	59.27
Significant accounting policies	3		
Notes to the financial statements	4-44		

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 & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W / W-100024

Shiraz Vastani
Partner
Membership No : 103334
Place : Pune
Date : 24 May 2018

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

Aniruddha Karve
Director
DIN : 07180005
Place : Aurangabad
Date : 24 May 2018

Mukund Bhogale
Director
DIN : 00072564
Place : Aurangabad
Date : 24 May 2018

Atithi Majumdar
Chief Financial Officer
Place : Aurangabad
Date : 24 May 2018

Rupesh Khokle
Company Secretary
Place : Aurangabad
Date : 24 May 2018

Meereshwar Reddy
Manager
Place : Aurangabad
Date : 24 May 2018

Cashflow Statement

for the year ended 31 March 2018

₹ Lakhs

		For the year ended 31-Mar-18	For the year ended 31-Mar-17
A)	**Cash flow from operating activities**		
	Profit before tax	**2,142.45**	2,624.16
	Adjustments for :		
	Interest income	**(117.18)**	(127.88)
	Gain on account of foreign currency transactions (net) (includes marked to market (gain)/loss)	**(10.09)**	2.31
	Liabilities no longer required written back	**-**	(44.34)
	Depreciation and amortization expenses	**422.65**	466.33
	Provision for doubtful debt written back	**-**	(3.28)
	Loss on sale of property, plant and equipment	**11.19**	20.99
	Provision for doubtful receivables	**-**	3.88
	Bad debt written off	**0.48**	1.93
		307.05	**319.94**
	Working capital adjustments :		
	(Increase)/Decrease in inventories	**(203.25)**	94.19
	Decrease/(Increase) in trade receivables	**157.31**	(70.93)
	(Increase)/Decrease in loans, other financial assets and other assets	**(158.75)**	394.96
	Increase in non current financial assets and other non current assets	**75.98**	8.79
	Decrease in derivative contract assets	**19.51**	-
	Increase in trade payables	**450.99**	56.63
	(Decrease)/Increase in other financial liabilities and other liabilities	**(108.59)**	61.14
	(Decrease)/Increase in provisions	**(37.46)**	1.01
	Cash generated from operating activities	**2,645.24**	**3,489.89**
	Income taxes paid (net)	**(925.67)**	**(982.76)**
	Net cash flows generated from operating activities (A)	**1,719.57**	**2,507.13**
B)	**Cash flows from investing activities**		
	Acquisition of property, plant and equipment	**(500.28)**	(757.33)
	Proceeds from sale of property, plant and equipment	**34.42**	10.51
	Investment in (maturity of) bank deposits (net)	**946.28**	(119.81)
	Investment in subsidiary	**(1,675.00)**	-
	Interest received	**146.10**	108.18
	Net cash flows (used in) investing activities (B)	**(1,048.48)**	**(758.45)**

Cashflow Statement

for the year ended 31 March 2018

₹ Lakhs

		For the year ended 31-Mar-18	For the year ended 31-Mar-17
C) Cash flows from financing activities			
Dividends paid		**(219.00)**	(109.30)
Taxes on dividend paid		**(45.60)**	(22.80)
Net cash (used in) financing activities (C)		**(264.60)**	**(132.10)**
Net increase in cash and cash equivalents (A+B+C)		**406.49**	**1,616.58**
Effect of exchange differences on cash and cash equivalents held in foreign currency		**6.58**	(23.90)
Cash and cash equivalents at the beginning of the year		**3,187.14**	1,594.46
Cash and cash equivalents at the end of the year		**3,600.21**	**3,187.14**
Components of cash and cash equivalents			
Cash and cash equivalents comprises of:			
Cash on hand		**0.17**	0.22
Bank balances			
- in current accounts		**1,770.27**	1,955.83
- Export Earner's Foreign Currency account		**153.81**	581.09
- in deposits accounts (with original maturity of 3 months or less)		**1,675.96**	650.00
Total cash and cash equivalents (refer note 13)		**3,600.21**	**3,187.14**
Significant accounting policies	3		
Notes to the financial statements	4-44		

The notes referred to above form an integral part of the Cash Flow Statement
As per our report of even date attached.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W / W-100024

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

Shiraz Vastani
Partner
Membership No : 103334
Place : Pune
Date : 24 May 2018

Aniruddha Karve
Director
DIN : 07180005
Place : Aurangabad
Date : 24 May 2018

Mukund Bhogale
Director
DIN : 00072564
Place : Aurangabad
Date : 24 May 2018

Atithi Majumdar
Chief Financial Officer
Place : Aurangabad
Date : 24 May 2018

Rupesh Khokle
Company Secretary
Place : Aurangabad
Date : 24 May 2018

Meereshwar Reddy
Manager
Place : Aurangabad
Date : 24 May 2018

Statement of change equity

For the year ended 31 March 2018

₹ Lakhs

Statement of changes in equity	Equity	Reserves and Surplus						Items of OCI	Total equity
		General reserves	Capital reserve	Securities premium	Capital Profit on Forfeited shares	Statutory Reserve	Retained earnings	Remeasurement gains / (losses) on defined benefit plans	
Balance as at 1 April 2016	**280.00**	**525.49**	**67.65**	**350.00**	**0.04**	**8.70**	**5,222.64**	**6.64**	**6,461.16**
Profit for the year	-	-	-	-	-	-	1,659.51	-	1,659.51
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	(15.10)	(15.10)
Transactions with the owners in their capacity as the owners recorded directly in equity									
Dividends	-	-	-	-	-	-	(112.00)	-	(112.00)
Dividend distribution tax	-	-	-	-	-	-	(22.80)	-	(22.80)
Balance as on 31 March 2017	**280.00**	**525.49**	**67.65**	**350.00**	**0.04**	**8.70**	**6,747.35**	**(8.46)**	**7,970.77**
Profit for the year	-	-	-	-	-	-	1,388.44	-	1,388.44
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	2.73	2.73
Transactions with the owners in their capacity as the owners recorded directly in equity									
Dividends	-	-	-	-	-	-	(224.00)	-	(224.00)
Dividend distribution tax	-	-	-	-	-	-	(45.60)	-	(45.60)
Balance as on March 31, 2018	**280.00**	**525.49**	**67.65**	**350.00**	**0.04**	**8.70**	**7,866.19**	**(5.73)**	**9,092.34**

Significant accounting policies	3
Notes to the financial statements	4-44

The notes referred to above form an integral part of the Financial Statement
As per our report of even date attached.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W / W-100024

Shiraz Vastani
Partner
Membership No : 103334
Place : Pune
Date : 24 May 2018

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

Aniruddha Karve
Director
DIN : 07180005
Place : Aurangabad
Date : 24 May 2018

Mukund Bhogale
Director
DIN : 00072564
Place : Aurangabad
Date : 24 May 2018

Atithi Majumdar
Chief Financial Officer
Place : Aurangabad
Date : 24 May 2018

Rupesh Khokle
Company Secretary
Place : Aurangabad
Date : 24 May 2018

Meereshwar Reddy
Manager
Place : Aurangabad
Date : 24 May 2018

Notes to financial statements

for the year ended March 31, 2018

1. REPORTING ENTITY

Morganite Crucible (India) Limited ('the Company') is a company domiciled in India, incorporated under the provisions of the erstwhile Companies Act, 1956 and its shares are listed on the Bombay Stock Exchange (BSE). The Company is primarily engaged in the manufacture and selling of silicon carbide and clay graphite crucibles and its accessories.

The financial statements for the year ended 31 March 2018 were approved by the Board of Directors and authorised for issue on 24 May 2018.

2. BASIS OF PREPARATION

a. Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind-AS") as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

The financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards, Ind AS 101- First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 38.

Details of the Company's significant accounting policies are included in Note 3.

b. Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts included in the financial statements are rounded-off to the nearest lakh to two decimal points, except share and per share data, unless otherwise stated.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for share based payments, defined benefit obligations and certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

d. Use of estimates and judgment

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosures relating to the contingent liabilities as at the date of the financial statements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Critical Accounting Estimates/ Assumptions and estimation uncertainties-

i. Warranty Provision

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.

ii. Income tax

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

Notes to financial statements (Continued)

for the year ended March 31, 2018

iii. Provision for defined benefit obligations

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.Information about assumptions and estimation uncertainties in respect of defined benefit obligation in note 39.

iv. Trade Receivables

Expected credit loss model is used to arrive at the loss allowances. Expected loss rates are based on average computed default rate based on historical analysis of trade receivables.

e. Current and 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 realized 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 realized 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 liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification.

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

All other liabilities are classified as non-current.

f. Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalent. The operating cycle for the Company is less than 12 months.

Notes to financial statements (Continued)

for the year ended March 31, 2018

3. SIGNIFICANT ACCOUNTING POLICIES

a. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use as at the balance sheet date.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Transition to Ind AS

On transition to Ind As, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii. Subsequent expenditure

Subsequent expenditure related to an item of tangible fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

b. Depreciation of tangible assets

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

Depreciation on tangible fixed assets is provided on straight line method at estimated useful live, which in certain categories of assets is different than the estimated useful life as specified in Schedule II of the Companies Act, 2013 ('Schedule II'). The useful life of assets adopted by the Company are as under:

Asset head	Useful life applied by the company
Office building	60 years
Factory building	30 years
Plant and machinery	15 years
Relining of Kiln*	6 years
Computers	3 years
Vehicles	8 years
Office equipments	5 years
Furniture and fixtures	10 years

Notes to financial statements (Continued)

for the year ended March 31, 2018

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

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Tangible fixed assets under construction are disclosed as capital work-in progress. Capital work-in-progress includes the cost of fixed assets that are not ready to use at the Balance Sheet date.

Tangible fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Losses arising from retirement and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss. In case of disposal of revalued asset, the difference between net disposal proceeds and the net book value is charged or credited to the Statement of Profit and Loss except that to the extent that such loss is related to an existing surplus on that asset recognised in revaluation reserve, it is charged directly to that reserve.

c. Intangible Assets

Intangible assets comprising of Software cost are carried at cost of acquisition less accumulated amortisation and impairment loss, if any. 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.

d. Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost

At each reporting date, the Company assesses whether financial assets carried at amortised cost and are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for a period exceeding credit term offered to the customer; and
- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

Notes to financial statements (Continued)

for the year ended March 31, 2018

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Company's non-financial assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

e. 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.

Notes to financial statements (Continued)

for the year ended March 31, 2018

f. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following recognition criteria must also be met before revenue is recognized:

Sale of goods

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.

Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Export benefit

Export entitlements (such as Duty draw back, Focus Market Scheme) 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.

g. Foreign currency transactions

i. Initial recognition

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the date of Balance Sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognized in the profit or loss.

ii. Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency exposure. Derivatives are measured at fair value and changes therein are recognised in Statement of Profit and Loss.

iii. Conversion

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in profit or loss.

h. Operating Lease

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.

i. Taxes on income

Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

Current 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.

Notes to financial statements (Continued)

for the year ended March 31, 2018

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.

j. Employee benefits

i. 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.

ii. Post-employment benefits

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 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.

Defined benefit plans

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.

Re measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

Compensated absences:

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it as per company policy in future service periods or receive cash compensation. Compensated absences which are expected

Notes to financial statements (Continued)

for the year ended March 31, 2018

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.

k. Provisions, contingent liabilities and contingent assets

The Company recognizes provisions only when it has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

Warranty provisions

Provisions for warranty related costs are recognized when the underlying product is sold. Provision is based on historical experience. The estimate of such warranty related costs is reviewed annually.

Contingent liabilities

A contingent liability exists when there is a possible but not probable obligation, or present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably or a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or recognised as finance cost. Expected future operating losses are not provided for. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets

Contingent assets are neither recognised nor disclosed in the financial statements.

l. Earnings per share

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.

m. 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.

n. Financial instruments

i. Recognition and Measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Notes to financial statements (Continued)

for the year ended March 31, 2018

ii. Classification and subsequent measurement

Non-Derivative Financial Instruments

Financial Assets

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) or;
- Fair Value through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows
- terms that may adjust the contractual coupon rate, including variable interest rate features
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount Substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition

Notes to financial statements (Continued)

for the year ended March 31, 2018

Financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derivative Financial Instruments-

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met. The Company does not use derivative financial instruments for speculative purposes. The counter-party to the Company's foreign currency forward contracts is generally a bank.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the statement of profit and loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as derivative contract assets/derivative contract liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

ii. Derecognition

Financials assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iii. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

o. Measurement of fair value

The number of accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Notes to financial statements (Continued)

for the year ended March 31, 2018

The company has an established control framework with respect to measurement of fair values.

Fair values are categorized into different levels in fair value hierarchy based on inputs used in the valuation techniques as follow

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4. RECENT ACCOUNTING PRONOUNCEMENTS

Standards issued but not yet effective

4.1 New Accounting Standards yet to be adopted

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new Accounting Standards (‘Ind AS’) and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer.

The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 115 on the financial statements in the period

Notes to financial statements (Continued)

for the year ended March 31, 2018

of initial application is not reasonably estimable as at present. However as per the management assessment the impact is not expected to be significant.

Transition

The Company plans to apply Ind AS 115 using the cumulative effect method , with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018) in retained earnings. As a result, the Company will not present relevant individual line items appearing under comparative period presentation.

Ind AS 21 – The effect of changes in Foreign Exchanges rates

The amendment has been incorporated in Ind AS 21 as Appendix B which clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix is applicable for accounting periods beginning on or after 1 April 2018. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

Notes to the financial statements (Continued)

as at 31 March 2018

5 **Property, plant and equipment**
Reconciliation of carrying amount

₹ Lakhs

Particulars	Land - Leasehold	Building	Plant and equipments	Vehicles	Computers	Office equipments	Furniture and fixtures	Total tangible assets	Capital work in progress
Gross Block									
Deemed cost as at 1 April 2016	13.12	515.89	1,539.71	6.05	25.63	30.42	60.95	**2,191.77**	266.21
Additions	-	-	587.72	0.90	8.63	3.84	2.47	**603.56**	249.90
Assets capitalised during the year	-	-	-	-	-	-	-	**-**	(266.21)
Disposals	-	(23.35)	(9.25)	-	-	(1.91)	(0.52)	**(35.03)**	-
Balance at 31 March 2017	**13.12**	**492.54**	**2,118.18**	**6.95**	**34.26**	**32.35**	**62.90**	**2,760.30**	**249.90**
Balance at 1 April 2017	**13.12**	**492.54**	**2,118.18**	**6.95**	**34.26**	**32.35**	**62.90**	**2,760.30**	**249.90**
Additions	-	217.81	481.05	-	6.29	6.27	3.09	**714.51**	15.56
Assets capitalised during the year	-	-	-	-	-	-	-	**-**	(249.90)
Disposals	-	-	(55.88)	-	(0.50)	(0.92)	-	**(57.30)**	-
Balance at 31 March 2018	**13.12**	**710.35**	**2,543.35**	**6.95**	**40.05**	**37.70**	**65.99**	**3,417.51**	**15.56**
Accumulated depreciation									
Balance as at 1 April 2016	-	-	-	-	-	-	-	**-**	-
Depreciation for the year	0.19	37.66	351.61	2.52	14.01	12.07	9.99	**428.05**	-
Disposals	-	(0.96)	(1.59)	-	-	(0.95)	(0.03)	**(3.53)**	-
Balance at 31 March 2017	**0.19**	**36.70**	**350.02**	**2.52**	**14.01**	**11.12**	**9.96**	**424.52**	**-**
Balance at 1 April 2017	**0.19**	**36.70**	**350.02**	**2.52**	**14.01**	**11.12**	**9.96**	**424.52**	**-**
Depreciation for the year	0.19	39.61	340.05	2.35	10.36	10.97	10.84	**414.37**	-
Disposals	-	-	(11.15)	-	(0.19)	(0.35)	-	**(11.69)**	
Balance at 31 March 2018	**0.38**	**76.31**	**678.92**	**4.87**	**24.18**	**21.74**	**20.80**	**827.20**	**-**
Balance as at 1 April 2016	**13.12**	**515.89**	**1,539.71**	**6.05**	**25.63**	**30.42**	**60.95**	**2,191.77**	**266.21**
Balance as at 31 March 2017	**12.93**	**455.84**	**1,768.16**	**4.43**	**20.25**	**21.23**	**52.94**	**2,335.78**	**249.90**
Balance as at 31 March 2018	**12.74**	**634.04**	**1,864.43**	**2.08**	**15.87**	**15.96**	**45.19**	**2,590.31**	**15.56**

6 **Intangible assets**
Reconciliation of carrying amount

₹ Lakhs

Particular	Software	Total intangible assets
GROSS BLOCK		
Cost or Deemed Cost (gross carrying amount)		
Balance as at 1 April 2016	**48.57**	**48.57**
Additions	-	-
Balance at 31 March 2017	**48.57**	**48.57**
Balance at 1 April 2017	48.57	48.57
Additions	-	-
Balance at 31 March 2018	**48.57**	**48.57**
Accumulated amortization		
Balance at 1 April 2016	-	-
Amortization for the year	38.28	38.28
Balance at 31 March 2017	**38.28**	**38.28**
Balance at 1 April 2017	38.28	38.28
Amortization for the year	8.28	8.28
Balance at 31 March 2018	**46.56**	**46.56**
Carrying amounts (net)		
Balance as at 1 April 2016	**48.57**	**48.57**
Balance as at 31 March 2017	**10.29**	**10.29**
Balance as at 31 March 2018	**2.01**	**2.01**

Notes to the financial statements (Continued)

as at 31 March 2018

7 Other financial assets - Non Current ₹ Lakhs

	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Other financial assets (Unsecured, considered good)			
Security deposits	**19.99**	25.08	24.25
Bank deposits (due to mature after 12 months from reporting date)	**38.23**	23.61	37.37
Interest accrued on bank deposits	**-**	**4.25**	3.49
	58.22	**52.94**	**65.11**

8 Income tax (including deferred tax) ₹ Lakhs

		Year ended 31 March 2018	Year ended 31 March 2017
A	**Amounts recognised in profit and loss**		
	(a) Income tax expense		
	Current tax		
	Current tax on the profit for the year	**719.96**	939.45
	Adjustment of current tax of prior periods	**(5.91)**	15.06
	Total current tax expense	**714.05**	**954.51**
	(b) Deferred tax		
	Attributable to -		
	Origination and reversal of temporary differences	**39.96**	**10.14**
		39.96	**10.14**
	Tax expense (a+b)	**754.01**	**964.65**

B	**Amounts recognised in other comprehensive income**	**For the year ended 31 March 2018**		
		Before tax	**Tax (expense)**	**Net of tax**
	Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans (₹ Lakhs)	4.18	(1.45)	2.73
		For the year ended 31 March 2017		
		Before tax	**Tax (expense)**	**Net of tax**
	Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans (₹ Lakhs)	(23.09)	7.99	(15.10)

C	**Reconciliation of effective tax rate**	**As at 31 March 2018**	**As at 31 March 2017**
	Profit before tax	**2,142.45**	2,624.16
	Enacted tax rate	**34.61%**	34.61%
	Income tax expense calculated at 34.608%	**741.46**	908.17
	Effect of expenses disallowed for tax purpose	**7.49**	41.42
		748.95	**949.59**
	Effect of income taxes related to earlier periods	**(5.91)**	15.06
	Effect of differential tax rate*	**10.97**	-
	Income tax expense recognised in statement of profit and loss	**754.01**	**964.65**

*As per Finance Act,2018, the enacted rate of Income tax applicable to the company is 28.84%.

Notes to the financial statements (Continued)

as at 31 March 2018

D Recognised deferred tax assets and liabilities

₹ Lakhs

	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Deferred tax assets/(liabilities)			
Provision for doubtful debts	**15.22**	17.81	24.59
Provision for doubtful advances	**24.00**	28.64	28.64
Provision for employee benefits	**16.76**	16.76	14.54
Provision for warranty expenses	**-**	3.72	-
Provision for others	**-**	0.47	-
Disallowances under the Income Tax Act, 1961	**-**	5.16	7.28
MTM gain/loss on forward contract	**(0.12)**	(6.75)	-
Property, plant and equipment	**(1.01)**	30.45	23.36
	54.85	**96.26**	**98.41**

E Movement in deferred tax balances

	Net balance 1 April 2017	**Recognised in profit or loss**	**Recognised in OCI**	**31 March 2018 Net**
Deferred tax assets / (liabilities)				
Provision for doubtful debts	17.81	(2.59)	-	**15.22**
Provision for doubtful advances	28.64	(4.64)	-	**24.00**
Provision for employee benefits	16.76	1.45	(1.45)	**16.76**
Provision for warranty expenses	3.72	(3.72)	-	**-**
Provision for others	0.47	(0.47)	-	**-**
Disallowances under the Income Tax Act, 1961	5.16	(5.16)	-	**-**
MTM gain/loss on forward contract	(6.75)	6.63	-	**(0.12)**
Property, plant and equipment	30.45	(31.46)	-	**(1.01)**
Net Deferred tax assets	**96.26**	**(39.96)**	**(1.45)**	**54.85**

	Net balance 1 April 2016	**Recognised in profit or loss**	**Recognised in OCI**	**31 March 2017 Net**
Deferred tax assets / (liabilities)				
Provision for doubtful debts	24.59	(6.78)	-	**17.81**
Provision for doubtful advances	28.64	-	-	**28.64**
Provision for employee benefits	14.54	(5.77)	7.99	**16.76**
Provision for warranty expenses	-	3.72	-	**3.72**
Provision for others	-	0.47	-	**0.47**
Disallowances under the Income Tax Act, 1961	7.28	(2.12)	-	**5.16**
MTM gain/loss on forward contract	-	(6.75)	-	**(6.75)**
Property, plant and equipment	23.36	7.09	-	**30.45**
Net Deferred tax assets	**98.41**	**(10.14)**	**7.99**	**96.26**

Notes to the financial statements (Continued)

as at 31 March 2018

9 Other non current assets

₹ Lakhs

	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Capital advances	**4.31**	-	4.30
Employee benefits assets (refer note 39)	**-**	-	2.43
Balances with Government Authorities#	**145.31**	216.19	223.38
	149.62	**216.19**	**230.11**

Includes balances receivable for Value added Tax (VAT)

10 Inventories

(At lower of cost and net realisable value)

	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Raw materials and packing materials [including goods in transit ₹ 222.81 lakhs (2017: ₹ 129.37 lakhs)]	**739.40**	639.48	805.02
Finished goods [including goods in transit ₹ 181.62 lakhs (2017: ₹ 25.62 lakhs)]	**472.45**	392.45	338.60
Work-in-progress	**465.33**	412.84	444.12
Stores and spares	**106.78**	135.94	87.16
	1,783.96	**1,580.71**	**1,674.90**

11 Loans

	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Loans to employees (Unsecured, considered good)	**11.46**	5.24	3.91
Loans to related parties			
Considered good	**-**	-	-
Considered doubtful	**73.01**	73.01	73.01
	73.01	73.01	73.01
Provision for doubtful balance	**(73.01)**	(73.01)	(73.01)
	-	-	-
	11.46	**5.24**	**3.91**

12 Trade receivables

	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Trade receivables (unsecured)			
Considered good	**1,696.51**	1,841.52	1,772.51
Considered doubtful	**52.79**	53.19	73.55
	1,749.30	1,894.71	1,846.06
Loss allowance	**(52.79)**	(53.19)	(73.55)
Net trade receivables	**1,696.51**	**1,841.52**	**1,772.51**

Notes to the financial statements (Continued)

as at 31 March 2018

13 Cash and cash equivalents

₹ Lakhs

	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Cash on hand	**0.17**	0.22	0.29
Bank balances			
- in current accounts	**1,770.27**	1,955.83	1,273.56
- Fixed deposits (upto 3 months maturity from deposit date)	**1,675.96**	650.00	-
- Export Earner's Foreign Currency account (EEFC)	**153.81**	581.09	320.61
	3,600.21	**3,187.14**	**1,594.46**

14 Other balances with banks

	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
- Unpaid dividend accounts	**9.24**	4.24	1.54
- Fixed deposits with maturity more than three months from deposit date but less than twelve months from the Balance Sheet date.	**428.94**	1,394.83	1,263.96
	438.18	**1,399.07**	**1,265.50**

15 Other financial assets - Current

	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Other financial assets (Unsecured, considered good)			
Security deposits	**7.30**	7.30	-
Insurance claim receivable	**-**	2.51	2.24
Interest accrued on bank deposits	**-**	24.68	5.74
	7.30	**34.49**	**7.98**

16 Other Current Assets

	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Advances to suppliers			
Considered good	**63.50**	22.27	104.72
Considered doubtful	**10.20**	10.20	10.20
	73.70	32.47	114.92
Provision for doubtful advances	**(10.20)**	(10.20)	(10.20)
	63.50	22.27	104.72
Prepayments	**50.52**	68.66	28.93
Employee benefits assets (refer note 39)	**15.23**	2.88	12.66
Balances with Government Authorities#	**306.61**	32.10	62.27
Interest accrued on VAT Refund	**3.85**	3.85	7.47
Excise duty refund receivable	**0.25**	178.10	635.02
Export benefits receivable	**185.19**	161.94	21.33
	561.65	447.53	767.68
	625.15	**469.80**	**872.40**

Includes balances receivable for Goods and Service Tax (GST) and Value added Tax (VAT)

Notes to the financial statements (Continued)

as at 31 March 2018

17 Equity share capital

₹ Lakhs, except share data

	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Authorised capital :			
5,450,000 (31 March 2017 : 5,450,000, 1 April 2016 : 5,450,000) equity shares of ₹ 10 each	**545.00**	545.00	545.00
Issued, subscribed and paid-up			
2,800,000 (31 March 2017 : 2,800,000, 1 April 2016 : 2,800,000) equity shares of ₹ 10 each, fully paid-up	**280.00**	280.00	280.00

(a) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 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 shareholders at the Annual General Meeting held on 09 August 2017 approved dividend of ₹ 8 per equity share for year ended 31 March 2017 which was subsequently paid during the quarter ended 30 September 2017. The amount was recognized as distributions to equity shareholders during the nine month period ended 31 December 2017 and the total appropriation was ₹ 269.60 lakhs including corporate dividend tax of ₹ 45.60 lakhs.

On 24 May 2018, the Board of Directors have proposed a final dividend of ₹ 16 per equity share for the financial year ended 31 March 2018. The proposal is subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 540.10 lakhs inclusive of dividend distribution tax of ₹ 92.10 lakhs.

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.

(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Equity shares			
At the commencement and at the end of the year	**28,00,000**	28,00,000	28,00,000

(c) Shares held by holding/ultimate holding company and/or their subsidiaries

Name of the shareholder	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Morganite Crucible Limited, subsidiary of the ultimate holding company.	**10,78,000**	10,78,000	10,78,000
Morgan Terreassen BV, subsidiary of the ultimate holding company.	**10,22,000**	10,22,000	10,22,000

Notes to the financial statements (Continued)

as at 31 March 2018

(d) Details of shareholders holding more than 5% shares in the company

₹ Lakhs

Name of the shareholder	As at 31-Mar-18		As at 31-Mar-17		As at 01-Apr-16	
	Number of shares	% holding in the class	Number of shares	% holding in the class	Number of shares	% holding in the class
Morganite Crucible Limited, subsidiary of the ultimate holding company.	**10,78,000**	38.50%	10,78,000	38.50%	10,78,000	38.50%
Morgan Terreassen BV, subsidiary of the ultimate holding company.	**10,22,000**	36.50%	10,22,000	36.50%	10,22,000	36.50%

18 Other equity

₹ Lakhs

		For the year ended	
		31-Mar-18	**31-Mar-17**
a.	**Retained earnings**		
	Items of other comprehensive income		
	At the commencement of the year	**(8.46)**	6.64
	Remeasurement of employee benefit obligations during the period (net of tax)	**2.73**	(15.10)
	At the end of the year	**(5.73)**	**(8.46)**
	Items other than other comprehensive income		
	At the commencement of the year	**6,747.35**	5,222.64
	Profit and loss attributable to shareholders	**1,388.44**	1,659.51
	Dividends declared	**(224.00)**	(112.00)
	Dividend distribution tax on above	**(45.60)**	(22.80)
	At the end of the year	**7,866.19**	**6,747.35**
	Total retained earning at the end of the year	**7,860.46**	**6,738.89**
b.	**General reserves**		
	At the commencement and end of the year	**525.49**	525.49
c.	**Securities premium**		
	At the commencement and end of the year	**350.00**	350.00
d.	**Capital reserves**		
	At the commencement and end of the year	**67.65**	67.65
e.	**Capital profit on forfeited shares**		
	At the commencement and end of the year	**0.04**	0.04
f.	**Statutory reserve***		
	At the commencement and end of the year	**8.70**	8.70
	Total other equity	**8,812.34**	**7,690.77**

Notes to the financial statements (Continued)

as at 31 March 2018

***Nature of Reserves -**

a) **General Reserve :** The general reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

b) **Securities Premium Account :** The Securities Premium is created on issue of shares at a premium.

c) **Capital Reserve :** Capital Reserve comprises of receipt of Central Government investment subsidy under '1993 package scheme of incentives', State government investment subsidy under '1983 package scheme of incentives and capital reserve arising on amalgamation of DCCL (refer note 37).

d) **Capital profit on forfeited shares -** The capital profit on forfeited shares comprises of capital profit on re-issue of forfeited shares.

e) **Statutory Reserve :** The statutory reserves comprises of the Investment allowance reserve created under the Income tax Act, 1961.

19 Non current provisions

₹ Lakhs

	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Provision for employee benefits			
Compensated absences	-	16.24	13.95
Total provisions for employee benefits	**-**	**16.24**	**13.95**

20 Trade payables

	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Trade payable			
- total outstanding dues of micro and small enterprises (refer note 33)	**265.42**	95.98	28.89
- total trade payables other than micro and small enterprises	**1,486.88**	**1,200.58**	**1,228.47**
	1,752.30	**1,296.56**	**1,257.36**

21 Other financial liabilities

	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Capital creditors	**59.51**	75.31	249.69
Deposits	**2.77**	2.77	2.77
Accrued employee liabilities	**137.70**	193.40	158.89
Unpaid dividend	**9.24**	4.24	1.54
	209.22	**275.72**	**412.89**

22 Other Current Liabilities

	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Advances from customers	**88.73**	69.24	49.90
Statutory dues #	**54.38**	122.32	142.15
	143.11	**191.56**	**192.05**

Statutory dues includes payable on account of Provident Fund, Pension, TDS, Service tax, excise duty etc.

Notes to the financial statements (Continued)

as at 31 March 2018

23 Current Provisions

₹ Lakhs

	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
Provision for employee benefits			
Compensated absences	**24.70**	29.34	34.64
Gratuity (refer note 39)	**-**	6.45	-
Total provisions for employee benefits (A)	**24.70**	**35.79**	**34.64**
Other provisions			
Provision for warranties	**64.46**	91.78	89.70
Provisions for indirect tax matters	**30.17**	17.15	-
Provision for others	**1.42**	1.43	-
Total other provisions (B)	**96.05**	**110.36**	**89.70**
Total provision (A+B)	**120.75**	**146.15**	**124.34**

Movement in other provisions during the period	**Provision for warranties**	**Provision for indirect tax**
Balance at 1 April 2016	89.70	-
Provisions made during the year	94.22	17.15
Provisions utilized during the year	(85.52)	-
Provisions reversed during the period	(6.62)	-
Balance at 31 March 2017	**91.78**	**17.15**
Balance at 01 April 2017	**91.78**	**17.15**
Provisions made during the year	114.16	13.02
Provisions utilized during the year	(141.48)	-
Provisions reversed during the period	-	-
Balance at 31 March 2018	**64.46**	**30.17**

A Provision for warranties represents 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 managment estimate.

B Provision for indirect tax represents estimated litigation claims in respect of indirect tax matters and it is expected that most of this cost will be incurred over the next 12 months as per managment estimate.

Notes to the financial statements (Continued)

for the year ended 31 March 2018

24 Revenue from operations

₹ Lakhs

	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Sales of products (including excise duty)*	**10,655.15**	11340.06
Total sale of products (A)	**10,655.15**	**11,340.06**
Other operating revenue		
Sale of scrap	**15.15**	15.88
Duty drawback on exports	**87.01**	117.70
Export benefits	**157.63**	235.00
Total other operating revenue (B)	**259.79**	**368.58**
Total revenue from operations (A+B)	**10,914.94**	**11,708.64**

*Revenue from sale of products for the year ended 31 March 2018 is inclusive of excise duty upto 30 June 2017 only , however revenue from sales of products for the year ended 31 March 2017 is inclusive of excise duty for the entire year.

25 Other income

₹ Lakhs

	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Interest income on		
- deposits with bank	**117.18**	127.88
- overdue trade receivables	**3.35**	12.01
`- VAT / Income tax refund	**1.58**	3.85
Gain on account of foreign currency transactions (net)*	**195.12**	49.92
Liabilities written back to the extent no longer required	**-**	44.34
Provision for doubtful debts written back	**-**	3.28
Other non-operating income	**1.14**	4.21
	318.37	**245.49**

(* includes marked to market loss of ₹ 0.40 Lakhs (2017: gain of ₹ 19.51 Lakhs))

26 Cost of materials consumed

₹ Lakhs

	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Inventory of materials at the beginning of the year	**639.48**	805.02
Purchases	**3,584.03**	3,513.72
Less: Inventory of materials at the end of the year	**739.40**	639.48
	3,484.11	**3,679.26**

27 Changes in inventory of finished goods and work in progress

₹ Lakhs

	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Inventory at the beginning of the year		
Finished goods - Crucibles	**338.60**	392.45
Work-in-progress - Crucibles	**444.12**	412.84
Inventory at the end of the year		
Finished goods - Crucibles	**472.45**	338.60
Work-in-progress - Crucibles	**465.33**	444.12
Increase/(Decrease) in Inventory	**155.06**	**(22.57)**

Notes to the financial statements (Continued)

for the year ended 31 March 2018

28 Employee benefit expenses

₹ Lakhs

	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Salaries, wages and bonus	**1,474.15**	1,317.14
Contribution to provident and other funds	**85.87**	76.95
Gratuity expenses	**23.52**	16.27
Staff welfare expenses	**104.19**	97.51
	1,687.73	**1,507.87**

29 Other expenses

	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Consumption of stores and spares	**181.43**	154.83
(Decrease) / Increase in excise duty on inventory of finished goods	**(42.17)**	3.57
Power and fuel	**705.99**	604.90
Contract labour charges	**316.99**	270.41
Repairs to buildings	**26.81**	76.26
Repairs to machinery	**228.97**	241.91
Repairs others	**46.72**	49.51
Rent	**19.73**	32.09
Rates and taxes	**29.10**	28.50
Travelling and motor car expenses	**136.53**	129.19
Legal and professional fees	**175.60**	74.47
Insurance	**41.30**	28.06
Payment to auditor (refer note (i) below)	**32.63**	36.95
Sales commission	**59.60**	47.22
Directors' sitting fees	**3.03**	2.81
Trade Mark Charges	**85.87**	90.56
Management charges	**490.56**	633.98
No claim compensation	**32.58**	34.74
Business development and promotional expenses	**65.65**	44.73
SAP training & maintenance expenses	**41.37**	88.42
Loss on sale / retirement of fixed assets	**11.19**	20.99
Freight outward	**189.15**	165.87
Bank charges	**12.28**	12.52
Security charges	**42.73**	29.82
Provision for doubtful receivables	**-**	3.88
Bad debt written off	**0.48**	1.93
Corporate Social Responsibility expenses (refer note (ii) below)	**6.93**	13.24
Miscellaneous expenses	**221.96**	206.21
	3,163.01	**3,127.57**

Notes to the financial statements (Continued)

for the year ended 31 March 2018

i) Payment to auditors (excluding taxes)

₹ Lakhs

	For the year ended 31-Mar-18	For the year ended 31-Mar-17
As auditor		
Statutory Audit	**16.35**	15.75
Tax Audit	**1.91**	1.12
Limited review of quarterly results	**7.02**	13.75
Certification fees	**2.58**	0.56
In other capacity		
Audit of group reporting package	**2.63**	3.02
Reimbursement of expenses	**2.14**	2.75
	32.63	**36.95**

ii) Corporate social responsibility

As per provisions of section 135 of Companies Act 2013, the Company was required to spend ₹ 31.09 lakhs (2017: ₹ 26.42 lakhs) 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 ₹ 6.93 lakhs (2017: ₹ 13.24 lakhs) towards Corporate Social Responsibility activities. The Company is in process of exploring various options specified in Schedule VII on which it could do its spending of CSR for the benefit of society.

a) Gross amount required to be spent by the Company during the year - ₹ 31.09 lakhs

b) Amount spent during the year on :

The breakup of expenditure incurred on CSR activities

		For the year ended 31-Mar-18	For the year ended 31-Mar-17
(i)	Construction / acquisition of any asset	**-**	-
(ii)	On purposes other than (i) above	**6.93**	13.24
		6.93	13.24

Notes to the financial statements (Continued)

for the year ended 31 March 2018

30 Contingent liabilities

₹ Lakhs

		31 March 2018	31 March 2017	31 March 2016
a.	Dispute raised by tax authorities for disallowance of certain expenses for FY 2011-12 u/s 92CA (3) of Income Tax Act 1961. The Company has filed an appeal before Income Tax Appellate Tribunal for the same (excluding interest and penalty).	**153.43**	153.43	153.43
b.	Dispute raised by tax authorities for disallowance of certain expenses for FY 2012-13 u/s 92CA (3) and 40(a)(ia) of Income Tax Act 1961. The Company has filed an appeal before Commissioner of Income Tax (Appeal) for the same (excluding interest and penalty).	**110.46**	110.46	-
c.	Demand for excise duty liability raised by tax authorities for the payment of excise duty on sales tax discount availed by the Company on pre-mature payment of sales tax during the period 2005-06 to 2009-10 under sales tax discount scheme. Department contends that the amount of discount received should be included in the transaction value for calculation of excise duty. The Company had filed an appeal to the Commissioner of Central Excise and Service Tax -Appeal and has received a favourable order.However the Department has filed an appeal before the Central Excise Appellate Tribunal (CESTAT) against the order of the Commissioner Appeal.	**18.96**	18.96	18.96
d.	Disputed employees' state insurance demand against which the Company has preferred appeals	**0.52**	**0.52**	**0.52**

31 Commitments:

	31 March 2018	31 March 2017	31 March 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	**101.21**	171.45	15.59

32 Earnings per share

₹ Lakhs, except share data

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Profit before tax	**2,142.45**	2,624.16
Less : Tax expenses	**754.01**	964.65
Profit after tax (a)	**1,388.44**	1,659.51
Weighted average number of equity shares outstanding during the period for calculation of basic and diluted EPS (b)	**28,00,000**	28,00,000
Earnings per share, net of tax		
Basic (a/b)	**49.59**	59.27
Diluted (a/b)	**49.59**	59.27

Notes to the financial statements (Continued)

for the year ended 31 March 2018

33 Disclosures as per Micro, Small and Medium Enterprises Development Act, 2006 (the 'MSMED Act')

₹ Lakhs

Description	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
a) Principal amount due to micro, small and medium enterprises	**265.42**	95.98	28.89
b) Interest due on above	**1.70**	-	-
ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**-**	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	**6.52**	3.83	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	**13.65**	5.43	1.60
v) The amount 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 section 23 of the MSMED Act, 2006	**13.65**	5.43	1.60

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises as per the MSMED Act on the basis of information available with the Company.

34 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. The 'Chief Operating Decision Maker' monitors the operating results of the Company's business as single segment. Accordingly in context of Ind AS "Operating Segments" the principle business of the Company constitute a single reportable segment. Accordingly, income from sale of crucibles comprises the primary basis of segmental information set out in these financial statements.

b) Geographical segments:

The geographical information analyses the Company's revenues and assets by the Company's country of domicile (i.e. India) and outside India presenting geographical information, segment revenue has been on the geographic location of customers and segment assets which have been based on the geographical location of the assets.

Notes to the financial statements (Continued)
for the year ended 31 March 2018

₹ Lakhs

Particulars	31 March 2018						
	India	Outside India					Total
		Asia and Far East	Europe	Africa and Middle East	North America	Other	
Revenue from external customers	4,842.27	1,160.99	1,869.03	1,648.12	898.20	236.54	10,655.15
Details of non current assets*	3,140.94	-	-	-	-	-	3,140.94

₹ Lakhs

Particulars	31 March 2017						
	India	Outside India					Total
		Asia and Far East	Europe	Africa and Middle East	North America	Other	
Revenue from external customers	5,161.20	1,408.10	1,844.52	1,618.62	833.00	474.62	11,340.06
Details of non current assets*	3,106.03	-	-	-	-	-	3,106.03

₹ Lakhs

Particulars	31 March 2016						
	India	Outside India					Total
		Asia and Far East	Europe	Africa and Middle East	North America	Other	
Revenue from external customers	4,289.25	1,782.98	2,084.94	1,493.62	1,074.66	115.06	10,840.51
Details of non current assets*	3,020.08	-	-	-	-	-	3,020.08

* The non current assets in the above table excludes financial assets, deferred tax assets and post-employment benefits assets.

35 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 Fellow subsidiary companies	Morganite Crucible Inc.
	Mkgs. Morgan Karbon Grafit
	Morgan Molten Metal System (Suzhou) Company Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

Morgan Molten Metal System GMBH
Morganite Brasil Ltda.
Grupo Industrial Morgan, S.A. De C.
Morganite Carbon Kabushiki Kaisha
Dalian Morgan Refractories Ltd
Morgan Am&T Hong Kong Co., Ltd.
Morgan Advanced Materials Furnace Indust
Morgan Advanced Materials (Taiwan) Co.
Murgappa Morgan Thermal Ceramics Limited, Chennai
Thermal Ceramics Limited, Uk
Molten Ceramics Asia Pte.Ltd.
Morgan Ceramics Middle East FZE
Furnace Industries
Morgan Advanced Materials India Private Limited

ii Key Management Personnel

Mr. Aniruddha Karve – Managing Director (upto 31 March 2018)
Late Mr. Hitesh Saiwal - Managing Director (upto 30 April 2015)
Mr. Atithi Majumdar - Chief Financial Officer
Mr. Rupesh Khokle - Company Secretary
Mr. Mukund Bhogale -Non-Executive Independent Director **
Mr. Subhash Kolakpar -Non-Executive Independent Director**
Ms. Maithilee Tambolkar -Non-Executive Independent Director**

Details of Remuneration paid and amount outstanding as at 31 March 2018 to above mentioned Key Managerial Personnel

Name of the person	Remuneration paid*		Outstanding payables		Outstanding receivable	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Mr. Aniruddha Karve	**118.94**	81.36	**-**	20.00	**-**	-
Late Mr. Hitesh Saiwal	**-**	-	**-**	-	**73.01**	73.01
Mr Atithi Majumdar	**26.29**	31.72	**1.99**	3.96	**-**	-
Mr. Rupesh Khokle	**12.39**	11.56	**1.08**	1.85	**-**	-

*Remuneration excludes provision for employee benefits as separate actuarial valuation for the directors, key management personnel and their relatives is not available

**The Company has paid sitting fees amounting to ₹ 3 lakhs (2017: ₹ 2.80 lakhs) to non executive independent directors.

Notes to the financial statements (Continued)

for the year ended 31 March 2018

Related party transactions for the year ended 31 March 2018

₹ Lakhs

Particulars	Ultimate Holding Company	Investing Associates		Fellow Subsidiaries																
	Morgan Advanced Materials Plc	Morganite Crucible Limited	Morgan Terrassen BV	Morganite Crucible Inc.	Morgan Molten Metal System GMBH	Morgan Molten Metal System (Suzhou) Company Limited	Morganite Brasil Ltda.	Mkgs. Morgan Karbon Grafit	Thermal Ceramics Limited	Grupo industrial Morgan, S.A. de C.	Murgappa Morgan Thermal Ceramics Limited	Morganite Carbon Kabushiki Kaisha	Furnace Industries	Molten Ceramics Asia Pte. Ltd.	Morgan Advanced Materials India Private Limited	Morgan Ceramics Middle East FZE	Dalian Morgan Refractories Ltd	Morgan Am&T Hong Kong Co., Ltd.	Morgan Advanced Materials Furnace Indust	Morgan Advanced Materials (Taiwan) Co.
Income																				
Sale of finished goods ,raw mateials (including sale in transit)	-	-	-	847.32	794.73	38.80	12.96	22.20	-	30.50	-	115.66	-	-	-	0.02	4.06	0.14	4.36	12.04
Expenditure																				
Purchase of raw materials (including goods in transit)	-	-	-	-	1.58	0.66	-	-	1.98	-	-	-	-	2.41	-	-	-	-	-	-
Purchased of spares / consumables	-	-	-	-	0.83	-	-	-	-	-	2.38	-	-	-	-	-	-	-	-	-
Capital Goods purchase	-	-	-	-	-	-	-	-	-	-	11.39	-	-	-	-	-	-	-	-	-
Management charges	472.07	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trademark Charges	85.87	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	33.76	-	-	-	-	-	-	-	-	-	3.83	-	-	-	-	-	-	-	-	-
Outstanding Balances:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	99.80	167.85	12.49	12.96	11.55	-	0.51	-	-	-	-	-	0.08	-	0.14	-	6.64
Payables	88.32	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.17	-	-	-

Notes to the financial statements (Continued)

for the year ended 31 March 2018

Related party transactions for the year ended 31 March 2017

₹ Lakhs

Particulars	Ultimate Holding Company	Investing Associates		Fellow Subsidiaries																
	Morgan Advanced Materials Plc	Morganite Crucible Limited	Morgan Terrassen BV	Morganite Crucible Inc.	Morgan Molten Metal System GMBH	Morgan Molten Metal System (Suzhou) Company Limited	Morganite Brasil LTDA	Morgan Karbon Grafit Sanayi A.S.	Thermal Ceramics	Grupo Industrial Morgan, S.A. de C.	Murugap-pa Morgan Thermal Ceramics Limited	Morganite Carbon Kabushiki Kaisha	Furnace Industries	Morgan Ceramics Asia Pte Ltd	Morgan Advanced Materials India Private Limited	Morgan Ceramics Middle East FZE	Dalian Morgan Refractories Ltd	Morgan Am&T Hong Kong Co., Ltd.	Morgan Advanced Materials Furnace Indust	Morgan Advanced Materials (Taiwan) Co.
Income																				
Sale of finished goods	-	-	-	745.33	898.46	8.00	21.26	24.35	-	34.43	-	100.83	-	-	-	0.20	4.09	-	-	-
Reimbursement of various expenses	-	-	-	-	0.34	12.24	-	-	-	-	-	-	-	-	7.27	-	-	-	-	-
Expenditure																				
Purchase of raw materials (including goods in transit)	-	-	-	-	14.65	7.50	-	-	1.38	-	2.45	-	0.14	-	-	-	-	-	-	-
Purchased of spares / consumables	-	-	-	-	0.13	-	-	-	-	-	29.86	-	-	-	-	-	-	-	-	-
Capital Goods purchase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management charges	633.98	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trademark charges	90.56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	0.78	-	-	-	-	-	-
Others																				
Dividend paid	-	43.12	40.88	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding Balances as at 31 March 2017																				
Receivables	-	12.80	-	54.71	165.82	14.54	-	-	-	-	-	3.19	-	-	7.27	-	-	-	-	-
Payables	277.71	-	-	-	0.15	-	-	-	0.47	-	-	-	-	-	-	-	-	-	-	-

Notes to the financial statements (Continued)

for the year ended 31 March 2018

36. Financial instrument - Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 March 2018 ₹ Lakhs

	Note	Amortized Cost	Financial assets/ liabilities at fair value through profit and loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Level 1	Level 2	Level 3	Total fair value
Financial assets measured at fair value									
Derivative contract assets		-	-	-	-	-	-	-	-
Financial assets not measured at fair value*									
Trade receivables	12	1,696.51	-	-	1,696.51	-	-	-	1,696.51
Cash and cash equivalents	13	3,600.21	-	-	3,600.21	-	-	-	3,600.21
Other bank balances	14	438.18	-	-	438.18	-	-	-	438.18
Loans	11	11.46	-	-	11.46	-	-	-	11.46
Other current financial assets	15	7.30	-	-	7.30	-	-	-	7.30
Other non current financial assets	7	58.22	-	-	58.22	-	-	-	58.22
		5,811.88	**-**	**-**	**5,811.88**	**-**	**-**	**-**	**5,811.88**
Financial liabilities measured at fair value									
Derivative contract liability		-	0.40	-	0.40	-	0.40	-	0.40
Financial liabilities not measured at fair value*						-	-	-	
Trade payables	20	1,752.30	-	-	1,752.30	-	-	-	1,752.30
Other current financial liabilities	21	209.22	-	-	209.22	-	-	-	209.22
		1,961.52	**0.40**	**-**	**1,961.92**	**-**	**0.40**	**-**	**1,961.92**

31 March 2017 ₹ Lakhs

	Note	Amortized Cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Level 1	Level 2	Level 3	Total fair value
Financial assets measured at fair value									
Derivative contract assets		-	19.51	-	19.51	-	19.51	-	19.51
Financial assets not measured at fair value*									
Trade receivables	12	1,841.52	-	-	1,841.52	-	-	-	1,841.52
Cash and cash equivalents	13	3,187.14	-	-	3,187.14	-	-	-	3,187.14
Other bank balances	14	1,399.07	-	-	1,399.07	-	-	-	1,399.07
Loans	11	5.24	-	-	5.24	-	-	-	5.24
Other current financial assets	15	34.49	-	-	34.49	-	-	-	34.49
Other non current financial assets	7	52.94	-	-	52.94	-	-	-	52.94
		6,520.40	**19.51**	**-**	**6,539.91**	**-**	**19.51**	**-**	**6,539.91**
Financial liabilities measured at fair value									
Derivative contract liability		-	-		-	-	-	-	-
Financial liabilities not measured at fair value*						-	-	-	-
Trade payables	20	1,296.56	-	-	1,296.56	-	-	-	1,296.56
Contractual Liability		1,675.00	-	-	1,675.00	-	-	-	1,675.00
Other current financial liabilities	21	275.72	-	-	275.72	-	-	-	275.72
		3,247.28	**-**	**-**	**3,247.28**	**-**	**-**	**-**	**3,247.28**

Notes to the financial statements (Continued)

for the year ended 31 March 2018

A. Accounting classification and fair values

01 April 2016 **₹ Lakhs**

	Note	Amortized Cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Level 1	Level 2	Level 3	Total fair value
Financial assets measured at fair value									
Derivative contract assets		-	-	-	-	-	-	-	-
Financial assets not measured at fair value*									
Trade receivables	12	1,772.51	-	-	1,772.51	-	-	-	1,772.51
Cash and cash equivalents	13	1,594.46	-	-	1,594.46	-	-	-	1,594.46
Other bank balances	14	1,265.50	-	-	1,265.50	-	-	-	1,265.50
Loans	11	3.91			3.91				3.91
Other current financial assets	15	7.98	-	-	7.98	-	-	-	7.98
Other non current financial assets	7	65.11	-	-	65.11	-	-	-	65.11
		4,709.47	**-**	**-**	**4,709.47**	**-**	**-**	**-**	**4,709.47**
Financial liabilities not measured at fair value*						-	-	-	-
Trade payables	20	1,257.36	-	-	1,257.36	-	-	-	1,257.36
Contractual Liability		1,675.00	-	-	1,675.00	-	-	-	1,675.00
Other current financial liabilities	21	412.89	-	-	412.89	-	-	-	412.89
		3,345.25	**-**	**-**	**3,345.25**	**-**	**-**	**-**	**3,345.25**

*Financial assets and liabilities include cash and cash equivalents, other balances with banks, trade receivables, other financial assets, trade payables and other financial liabilities whose fair values approximate their carrying amounts largely due to the short term nature of such assets and liabilities.

B. Measurement of fair values

(i) Valuation techniques and significant unobservable inputs.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed euity instruments that have quoted price. The fair value of all equity instruments which are traded in stock exchanges is valued using the closing price at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Accordingly, unquoted equity shares have been considered as Level 3 financial instrument. The carrying amount of unquoted equity shares is not considered material and hence it has not been fair valued and carrying amount for the same has been considered as the fair value.

(ii) Valuation techniques used to determine fair value

Specific valuation techniques used to value the financial instruments include: - the use of quoted market prices or dealer quotes for similar instruments - the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(iii) Valuation processes

The finance team performs the valuation of financial assets and liabilities required for financial reporting purposes.

Notes to the financial statements (Continued)

for the year ended 31 March 2018

C. Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate limits and controls and to monitor risks and adherence to limits. The Company, through its training and established procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The nature of the Company's business exposes it to a range of financial risks. These risks include:

(i) credit risk;

(ii) liquidity risk; and

(iii) market risk.

(i) Credit risk:

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 1,696.51 lakhs and ₹ 1,841.52 lakhs as of 31 March 2018 and 31 March 2017, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers located in India and outside India. The management has established accounts receivable policy under which customer accounts are regularly monitored. The Company has a dedicated sales team which is responsible for collecting dues from the customer within stipulated period. The management reviews status of critical accounts on a regular basis.

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss of trade receivables.

a) Expected credit loss assessment for trade receivables as at 31 March 2018, 31 March 2017 and 1 April 2016 :

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. Expected loss rates are based on average computed default rate based on historical analysis of trade receivables.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables -

₹ Lakhs

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Gross carrying amounts	Expected credit loss rate	Gross carrying amounts	Expected credit loss rate	Gross carrying amounts	Expected credit loss rate
Not due	**1,349.34**	0.01%	1,134.36	0.05%	1,501.40	0.30%
0-090 days	**341.55**	0.04%	356.43	0.18%	263.07	0.97%
090-180 days	**3.96**	0.82%	356.73	2.09%	33.17	8.29%
180-270 days	**2.94**	7.40%	2.85	0.14%	4.08	32.77%
More than 270 days past due	**51.51**	100.00%	44.34	100.00%	44.34	100.00%
Total	**1,749.30**		**1,894.71**		**1,846.06**	

* In addition to the above table, the Company has provided for specific expected loss on trade receivables amounting to ₹ 0.71 lakhs (31 March 2017: ₹ 0.17 lakhs and 1 April 2016: ₹ 18.11 lakhs).

Notes to the financial statements (Continued)

for the year ended 31 March 2018

C. Risk Management Framework (continued)

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

₹ Lakhs

Particulars	31 March 2018	31 March 2017
Balance at beginning of the year	**53.19**	73.55
Less: Amount written off during the year	**(0.40)**	(28.76)
Add: Additional provision created during the year	**-**	8.40
Balance at the end of the year	**52.79**	**53.19**

b. Cash and bank balance

The Company's maximum exposure to credit risk on account of deposits with banks is as mentioned below -

₹ Lakhs

Particulars	31 March 2018	31 March 2017	1 April 2016
Balances with banks in the form of-			
Current Accounts	**1,770.27**	1,955.83	1,273.56
EEFC Accounts	**153.81**	581.09	320.61
Fixed Deposits	**2,104.90**	2,068.44	1,301.33
Total	**4,028.98**	**4,605.36**	**2,895.50**

(ii) Liquidity risk:

The Company's principal sources of liquidity are cash and cash equivalents and cash flow that is generated from operations. The Company has no outstanding bank borrowings. The Company believes that the current working capital is sufficient to meet its current obligatory requirements. Accordingly, no liquidity risk is perceived.

As on 31 March 2018, the Company had a working capital of ₹ 5,838.33 lakhs (as on 31 March 2017 ₹ 4731.79 lakhs, as on 1 April 2016 ₹ 3,359.60 lakhs) including cash and cash equivalents and other bank balance of ₹ 4,038.39 lakhs (as on 31 March 2017 ₹ 4,586.21 lakhs; as on 1 April 2016 ₹ 2,859.95 lakhs). The working capital of the Company for this purpose has been derived as follows:

₹ Lakhs

Particulars	31-Mar-18	31-Mar-17
Total current assets (A)	**8,162.77**	8,537.48
Total current liabilities (B)	**2,324.44**	3,805.70
Working capital (A-B)	**5,838.33**	**4,731.78**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments -

₹ Lakhs

Particulars	Less than 1 year	1-2 years	2-5 years	more than 5 years	Total
Trade payables	1,752.30	-	-	-	1,752.30
Other financial liabilities	209.22	-	-	-	209.22

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2017 -

₹ Lakhs

Particulars	Less than 1 year	1-2 years	2-5 years	more than 5 years	Total
Trade payables	1,296.56	-	-	-	1,296.56
Other financial liabilities	275.72	-	-	-	275.72

Notes to the financial statements (Continued)

for the year ended 31 March 2018

The table below provides details regarding the contractual maturities of significant financial liabilities as of 01 April 2016 -

₹ Lakhs

Particulars	Less than 1 year	1-2 years	2-5 years	more than 5 years	Total
Trade payables	1,257.36	-	-	-	1,257.36
Other financial liabilities	412.89	-	-	-	412.89

(iii) Market risk

"Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices- such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Market risk comprises of:

a. Interest rate risk

b. Foreign currency risk

Financial instruments affected by market risk include other financial assets, trade receivables and trade payables.

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company does not have any financial instrument with variable interest rates, it is not exposed to interest rate risk.

b. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The foreign currency to which the Company is majorly exposed to are US Dollars and GBP.

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. The forward sell contracts which are outstanding as at end of the year is as follows:

Amount Lakhs

Currency	31 March 2018	31 March 2017	1 April 2016
US Dollars (USD)	3.00	5.50	-
EURO	-	1.50	-
Pounds (GBP)	-	6.93	-

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EURO and GBP exchange rates, with all other variables held constant -

Exposure to Currency Risk

The following is the Company's exposure to currency risk from financial instruments as of 31 March 2018:

₹ Lakhs

Particulars	EURO	GBP	US Dollars	Total
Cash and cash equivalents	33.93	2.90	116.98	153.81
Trade receivables	275.94	253.38	396.02	925.34
Trade payables	(42.80)	(51.55)	(115.93)	(210.28)
Other current liabilities	(3.91)	(5.94)	(58.67)	(68.52)
Net assets	**263.16**	**198.79**	**338.40**	**800.35**

Notes to the financial statements (Continued)

for the year ended 31 March 2018

The following is the Company's exposure to currency risk from financial instruments as of 31 March 2017:

₹ Lakhs

Particulars	EURO	GBP	US Dollars	Total
Cash and cash equivalents	181.28	179.27	220.54	581.09
Trade receivables	208.23	387.30	257.32	852.85
Trade payables	(7.88)	(0.99)	-	(8.87)
Net assets	**381.63**	**565.58**	**477.86**	**1,425.07**

The following is the Company's exposure to currency risk from financial instruments as of 1 April 2016:

₹ Lakhs

Particulars	EURO	GBP	US Dollars	AUD	Total
Cash and cash equivalents	2.38	139.46	178.76	-	320.60
Trade receivables	435.40	237.43	395.18	-	1,068.01
Trade payables	(15.17)	-	(51.69)	(0.44)	(67.31)
Net assets/(liabilities)	**422.61**	**376.89**	**522.25**	**(0.44)**	**1,321.31**

Sensitivity Analysis

A reasonable possible strengthening / (weakening) of the major currencies US Dollar, EURO or GBP against all other currencies as at 31 March 2018 would have affected the measurement of financial instruments (including derivatives) denominated in a foreign currency and affected equity and profit by the amounts shown below. This analysis assumed that all other variables, in particular interest rates, remain constant and ignores any impact of the forecast sales and purchases.

Year ended on	Currency	Change in foreign exchange rate	Impact on profit before tax gain / (loss)
31 March 2018			
	EURO	+ 5%	13.16
		- 5%	(13.16)
	GBP	+ 5%	9.94
		- 5%	(9.94)
	USD	+ 5%	16.92
		- 5%	(16.92)
31 March 2017			
	EURO	+ 5%	19.08
		- 5%	(19.08)
	GBP	+ 5%	28.28
		- 5%	(28.28)
	USD	+ 5%	23.89
		- 5%	(23.89)

37 Scheme of amalgamation with Diamond Crucible Company Limited -

As on 31 March 2017, the company held 51% equity shares of 'Diamond Crucible Company Limited' (DCCL) and during the year on 30 June 17, the company acquired the balance stake (49%) in DCCL from Terrassen Holdings Limited for cash consideration amounting to ₹ 1,675 lakhs to make it a wholly owned subsidiary.

On 10 August 2017, the Board of Directors of the Company approved a scheme of amalgamation ("the Scheme") for amalgamation of 'Diamond Crucible Company Limited 'into the Company. The Scheme has been approved by the National Company Law Tribunal (NCLT), Mumbai Bench on 22 February 2018.

Notes to the financial statements (Continued)

for the year ended 31 March 2018

Appointed date for the scheme is 1 October 2017. Under the Scheme, the Company has accounted for the amalgamation of DCCL on the pooling of interest method as stated in Appendix C of Indian Accounting Standard (IND AS 103) Business Combination. Accordingly all the assets and liabilities of DCCL are acquired at book values and the identity of reserves of DCCL are preserved in the books of the Company post amalgamation.

As per the requirements of IND AS 103, being a common control business combination, financial information in the financial statements in respect of prior periods have been restated as if the business combination had occurred from the beginning of the preceding period in the financial statements i.e 1 April 2016.

(i) Summary of assets and liabilities acquired as a result of the scheme is as given below -

a) Net assets acquired

₹ Lakhs

	Particulars	Amount	Amount
A)	**Asset acquired on 1 April 2016**		
	Property, plant and equipment		716.33
	Capital work-in-progress		3.63
	Goodwill		137.81
	Non Current Financial assets		50.09
	Other non current assets		6.72
	Income tax assets (net)		0.81
	Inventories		506.23
	Current Financial assets		
i	Trade receivables	348.33	
ii	Cash and cash equivalents	149.93	
iii	Bank balances other than cash and cash equivalents	163.79	
iv	Loans	1.60	
v	Other financial assets	6.08	669.73
	Other current assets		43.61
	Sub-total (A)		**2,134.96**
B)	**Liabilities assumed on 1 April 2016**		
	Other Equity		
i	General reserves	39.66	
ii	Capital reserve	12.65	
iii	Statutory Reserve	4.65	
iv	Retained earnings	1,441.69	1,498.65
	Non-current liabilities		
i	Provisions	82.04	
ii	Deferred tax (liabilities)	35.69	117.73
	Current Financial liabilities		
i	Trade payables	337.27	
ii	Other financial liabilities	93.23	430.50
	Other current liabilities		25.33
	Provisions		27.75
	Sub-total (B)		**2,099.96**
	Net Assets Acquired transferred to Capital reserve [(A) – (B)]		**35.00**

Notes to the financial statements (Continued)

for the year ended 31 March 2018

1 The value of the investments of Rs. 2,171.99 lakhs in the equity shares of DCCL held by the Company shall stand cancelled in the books of the Company, without further act or deed. Accordingly carrying value of investments cancelled is debited to opening retained earnings.

ii The Company undertakes to have all legal or other proceedings initiated by or against DCCL transferred in its name respectively and to have the same continued, prosecuted and enforced by or against it to the same extent as would or might have been continued and enforced by or against DCCL, to the exclusion of it.

iii As per Appendix C, Business Combinations of Entities under Common Control of Ind AS 103, Business Combinations, in case of common control business combinations, the assets and liabilities of the combining entities are reflected at their carrying amounts. As per the ITFG 9, carrying value of assets and liabilities of the transferor entity ('DCCL') as considered in the consolidated financials of the Company prior to amalgamation is considered for accounting of common control business combination.

38 First time adoption of Ind AS

As stated in Note 2(a), Pursuant to the scheme of merger approved by NCLT by its Order dated 22 February 2018, Diamond Crucible Company Limited (100% subsidiary) was merged with the Company with effect from 1 October 2017. As per the requirements of Appendix C of Ind AS 103, being a common control business combination, financial information presented in the financial statements in respect of prior periods have been restated as if the business combination had occurred from the beginning of the preceding period in the financial statements i.e 1 April 2016.

These are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2017, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('Previous GAAP').

The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended 31 March 2018 including comparative information for the year ended 31 March 2017 and the opening Ind AS Balance Sheet on the date of transition i.e. 1 April 2016.

In preparing its Ind AS Balance Sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A Optional exemptions availed

1 Business Combinations:

As per Ind AS 101, at the date of transition, an entity may not elect to restate business combinations that occurred before the date of transition. If the entity restates any business combinations that occurred before the date of transition, then it restates all the later business combinations, and also applies Ind AS 110, Consolidated Financial Statements, from that same date.

The Company has opted not to restate business combinations that occurred before the date of transition.

2 Property, plant and equipment, Intangible assets and investment properties:

As per Ind AS 101, an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and may use that fair value as its deemed cost at that date

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation value was, at the date of revaluation, broadly comparable to:

- fair value;

- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) or (ii) above are also available for intangible assets that meets recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP) if there has been no change in its functional currency as on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also.

B Mandatory exceptions

1 Estimates:

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Impairment based on expected credit loss model

2 Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on the facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Reconciliation from previous GAAP

The following reconciliations provide a quantification of the effect of differences arising from the transition from the previous GAAP to Ind AS in accordance with Ind AS 101 and the notes explaining the significant differences there to:

a Balance Sheet Reconciliation as at 1 April 2016 and 31 March 2017

b Reconciliation of Statement of Profit and Loss for the year ended 31 March 2017

c Explanatory notes to the Balance Sheet and Statement of Profit and Loss Reconciliation

Notes to the financial statements (Continued)

for the year ended 31 March 2018

₹ Lakhs

a	Balance Sheet Reconciliation	Note no	As at 31 March 2017 Previous GAAP *	Adjustments Effect of Amalgamation#	Adjustments Ind AS Transition**	Ind AS	As at 1 April 2016 Previous GAAP *	Adjustments Effect of Amalgamation#	Adjustments Ind AS Transition**	Ind AS
	ASSETS									
	Non-current assets									
	Property, plant and equipment		1,572.32	763.46	-	2,335.78	1,475.49	716.28	-	2,191.77
	Capital work-in-progress		244.00	5.90	-	249.90	262.58	3.63	-	266.21
	Goodwill		-	137.81	-	137.81	-	137.81	-	137.81
	Other intangible assets		10.29	-	-	10.29	48.57	-	-	48.57
	Financial assets									
	Investments		496.99	(496.99)	-	-	496.99	(496.99)	-	-
	Other financial assets		20.81	32.13	-	52.94	15.02	50.09	-	65.11
	Deferred tax assets / (liabilities) (net)		134.75	(38.49)	-	96.26	134.10	(35.69)	-	98.41
	Income tax assets (net)		155.26	0.80	-	156.06	144.80	0.81		145.61
	Other non current assets		216.19	-	-	216.19	223.39	6.72	-	230.11
	Total non-current assets		**2,850.61**	**404.62**	**-**	**3,255.23**	**2,800.94**	**382.66**	**-**	**3,183.60**
	Current assets									
	Inventories**		1,162.91	417.80	-	1,580.71	1,172.72	502.18	-	1,674.90
	Financial assets									
	Trade receivables		1,474.35	367.17	-	1,841.52	1,442.78	329.73	-	1,772.51
	Cash and cash equivalents		2,987.63	199.51	-	3,187.14	1,444.53	149.93	-	1,594.46
	Bank balances other than cash and cash equivalents		1,004.23	394.84	-	1,399.07	1,101.71	163.79	-	1,265.50
	Loans		3.05	2.19	-	5.24	2.31	1.60	-	3.91
	Derivative contract assets		19.51	-	-	19.51	-	-	-	-
	Other financial assets		18.34	16.15	-	34.49	1.90	6.08	-	7.98
	Other current assets		415.58	54.22	-	469.80	828.79	43.61	-	872.40
	Total current assets		**7,085.60**	**1,451.88**	**-**	**8,537.48**	**5,994.74**	**1,196.92**	**-**	**7,191.66**
	TOTAL ASSETS		**9,936.21**	**1,856.50**	**-**	**11,792.71**	**8,795.68**	**1,579.58**	**-**	**10,375.26**
	EQUITY AND LIABILITIES									
	Equity									
	Equity share capital		280.00	-	-	280.00	280.00	-	-	280.00
	Other equity	iv & v	8,005.34	(314.57)	-	7,690.77	6,688.78	(642.42)	134.80	6,181.16
	Total equity		**8,285.34**	**(314.57)**	**-**	**7,970.77**	**6,968.78**	**(642.42)**	**134.80**	**6,461.16**
	Liabilities									
	Non-current liabilities									
	Provisions		-	16.24	-	16.24	-	13.95	-	13.95
	Income tax liabilities (net)		-	-	-	-	-	68.09	-	68.09
	Total non-current liabilities		**-**	**16.24**	**-**	**16.24**	**-**	**82.04**	**-**	**82.04**
	Current liabilities									
	Financial liabilities									
	Trade payables		1,078.13	218.43	-	1,296.56	938.70	318.66	-	1,257.36
	Contractual liability		-	1,675.00	-	1,675.00	-	1,675.00	-	1,675.00
	Other financial liabilities		202.18	73.54	-	275.72	319.66	93.23	-	412.89
	Other current liabilities		191.09	0.47	-	191.56	166.72	25.33	-	192.05
	Provisions	iii	132.21	13.94	-	146.15	257.92	1.22	(134.80)	124.34
	Current tax liabilities (net)		47.26	173.45	-	220.71	143.90	26.52	-	170.42
	Total current liabilities		**1,650.87**	**2,154.83**	**-**	**3,805.70**	**1,826.90**	**2,139.96**	**(134.80)**	**3,832.06**
	Total liabilities		**1,650.87**	**2,171.07**	**-**	**3,821.94**	**1,826.90**	**2,222.00**	**(134.80)**	**3,914.10**
	TOTAL EQUITY AND LIABILITIES		**9,936.21**	**1,856.50**	**-**	**11,792.71**	**8,795.68**	**1,579.58**	**-**	**10,375.26**

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Refer Note 37 for details of merger. Effect of merger also includes intercompany eliminations.

** Effect of Ind AS adjustments is after giving effect to the scheme of amalgamation as stated in Note 37.

Notes to the financial statements (Continued)

for the year ended 31 March 2018

b Reconciliation of Statement of Profit and Loss

	Note no	As at 31 March 2017	Adjustments		
		Previous GAAP *	Effect of Amalgamation#	Ind AS Transition**	Ind AS
Revenue from operations	i	8,922.86	2,214.27	571.51	11,708.64
Other income		182.24	63.25	-	245.49
Total income		**9,105.10**	**2,277.52**	**571.51**	**11,954.13**
Expenses					
Costs of materials consumed		3,053.05	626.21	-	3,679.26
Changes in inventories of finished goods, and work in progress		(42.42)	19.85	-	(22.57)
Excise duty	i	-	-	571.51	571.51
Employee benefits expense	ii	1,314.44	216.51	(23.09)	1,507.87
Depreciation and amortisation expense		362.42	103.91	-	466.33
Other expenses		2,377.77	749.80	-	3,127.57
Total expenses		**7,065.26**	**1,716.29**	**548.42**	**9,329.97**
Profit before income tax		**2,039.84**	**561.23**	**23.09**	**2,624.16**
Tax expense					
- Current tax		723.93	230.58	-	954.51
- Deferred tax credit	ii	(0.65)	2.80	7.99	10.14
Total tax expense		**723.28**	**233.38**	**7.99**	**964.65**
Profit after Income Tax		**1,316.56**	**327.85**	**15.10**	**1,659.51**
Other comprehensive income / (loss)					
Items that will not be reclassified subsequently to profit or loss:					
- Remeasurement gains / (losses) on defined benefit plans	**ii**	-	-	(23.09)	(23.09)
- Tax on above	**ii**	-	-	7.99	7.99
Other comprehensive income / (loss) for the year, net of tax		-	-	(15.10)	(15.10)
Total comprehensive income for the year		**1,316.56**	**327.85**	**(0.00)**	**1,644.41**

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Refer Note 37 for details of merger. Effect of merger also includes intercompany eliminations.

** Effect of Ind AS adjustments is after giving effect to the scheme of amalgamation as stated in Note 37.

c Explanatory notes to the Balance Sheet and Statement of Profit and Loss Reconciliation

i Excise duty

Under previous GAAP, revenue from sale of goods was presented net of the excise duty on sales. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty is presented in the Statement of Profit and Loss as an expense. This has resulted in an increase in the revenue from operations and expenses for the year ended 31 March 2017 by ₹ 571.51 lakhs. The total comprehensive income for the year ended and equity as on 31 March 2017 has remained unchanged.

ii Remeasurement of defined benefit plans

In the financial statements prepared under Previous GAAP, remeasurement of defined benefit plans (gratuity), arising primarily due to change in actuarial assumptions was recognised as employee benefits expense in the Statement of Profit and Loss. Under Ind AS, such remeasurement benefits relating to defined benefit plans is recognised in other comprehensive income (OCI) as per the requirements of Ind AS 19- Employee benefits. Consequently, the related tax effect of the same has also been recognised in OCI.

Notes to the financial statements (Continued)

for the year ended 31 March 2018

For the year ended 31 March, 2017, remeasurement of gratuity liability resulted in a net loss of ₹ 23.09 lakhs which has now been removed from employee benefits expense in the Statement of Profit and Loss and recognised separately in Other Comprehensive Income. This has resulted in decrease in Employee benefits expense by ₹ 23.09 lakhs and loss in Other Comprehensive income by ₹ 23.09 lakhs for the year ended 31 March, 2017. Consequently, tax effect of the same amounting to ₹ 7.99 lakhs is also recognised separately in Other Comprehensive Income.

iii Provisions

In accordance with Ind AS 10, Events after the Reporting Period, provision for proposed final dividend and tax on dividend has been derecognized by the Company, as dividend was declared by the company and approved by shareholders in the annual general meeting which was after the end of the reporting period. The impact arising from the change is summarised below:

Balance Sheet	31 March 2017	1 April 2016
Provisions	-	(134.80)
Retained earnings	-	134.80

iv Reconciliation of retained earnings and other comprehensive income

The impact of Ind AS within equity is as summarised below -

Balance Sheet	31 March 2017	1 April 2016
Retained earnings	15.10	(6.64)
Other Comprehensive Income	(15.10)	6.64

v Reconciliation of equity :

Particulars	Note	31 March 2017	1 April 2016
Balance as per Previous GAAP		8,005.34	6,688.78
Adjustments :			
Merger of entity under common control		(314.57)	(642.42)
Dividend (including dividend distribution tax)	iii	-	134.80
Balance as per Ind AS		**7,690.77**	**6,181.16**

39. Employee benefits

Defined contributions plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, Labour Welfare Fund and Superannuation Scheme , which are the defined contribution plans. 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 recognized as an expense towards defined contribution plans for the year for provident fund and superannuation scheme aggregated to INR 85.87 Lakhs (31 March 2017: INR 76.95 Lakhs).

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.

Notes to the financial statements (Continued)

for the year ended 31 March 2018

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

Assets and Liabilities related to employee benefits: ₹ Lakhs

	Gratuity (Funded)		
	31-Mar-18	31-Mar-17	01-Apr-16
Defined benefit obligation	**(314.89)**	(285.94)	(239.05)
Fair value of planned assets	**330.12**	282.37	254.14
(Liability) / assets recognized in balance sheet	**15.23**	**(3.57)**	**15.09**
Current	**15.23**	(6.45)	12.66
Non current	**-**	2.88	2.43
Total employee benefit liabilities	**15.23**	**(3.57)**	**15.09**

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

Changes in present value of defined benefit obligation are as follows -

₹ Lakhs

	Gratuity (Funded)	
	31-Mar-18	31-Mar-17
Opening defined benefit obligation	**285.94**	239.05
Interest cost	**20.48**	19.01
Current service cost	**23.16**	17.60
Past Service Cost	**0.25**	-
Benefits paid from plan	**(10.47)**	(11.46)
Benefits paid by employer	**-**	-
Remeasurements - Actuarial (Gains)/Losses on Obligations	**-**	-
Due to Change in Demographic Assumptions	**(0.06)**	-
Due to Change in Financial Assumptions	**(13.75)**	19.96
Due to Experience	**9.34**	1.78
Closing defined benefit obligation	**314.89**	**285.94**

Notes to the financial statements (Continued)

for the year ended 31 March 2018

Changes in fair value of plan assets are as follows

₹ Lakhs

	Gratuity (Funded)	
	31-Mar-18	31-Mar-17
Opening fair value of planned assets	**282.37**	254.14
Transfer in/(out) plan assets	**-**	(0.50)
Expenses deducted from the fund	**-**	(0.62)
Interest income	**20.36**	20.36
Employer's contribution	**38.15**	21.80
Employer direct benefit payments	**-**	-
Benefits paid from plan assets	**(10.47)**	(11.46)
Remeasurements		
Return on plan assets (excluding interest income)	**(0.29)**	(1.35)
Closing fair value of planned assets	**330.12**	**282.37**

Net employee benefit expense recognized in employee cost

₹ Lakhs

	Gratuity (Funded)	
	31-Mar-18	31-Mar-17
Current service cost	**23.16**	17.60
Past service cost	**0.25**	-
Interest cost on benefit obligation	**20.48**	19.02
Interest income on plan assets	**(20.37)**	(20.35)
Total employee benefit expense recognized in profit and loss account	**23.52**	16.27
Remeasurements -		
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	**(0.06)**	-
Actuarial (Gains)/Losses on Obligations -Due to Change in Financial Assumptions	**(13.75)**	19.96
Actuarial (Gains)/Losses on Obligations -Due to Experience	**9.34**	1.78
Return on plan assets (excluding interest income)	**0.29**	1.35
Changes in asset ceiling	**-**	-
Total remeasurements included in OCI	**(4.18)**	**23.09**
Net employee benefit expense	**19.34**	**39.36**

Notes to the financial statements (Continued)

for the year ended 31 March 2018

The following table provides details of the cash flows of employee benefit plans

₹ Lakhs

	Gratuity (Funded)	
	31-Mar-18	31-Mar-17
Expected cash flows for following year		
Expected total benefit payments		
Year 1	**16.17**	12.49
Year 2	**19.72**	12.02
Year 3	**23.94**	17.69
Year 4	**22.86**	24.86
Year 5	**12.62**	20.30
Next 5 years	**167.00**	120.58

The major category of plan assets as a percentage of the fair value of total plan assets are as follows

	Gratuity (Funded)		
	31-Mar-18	31-Mar-17	01-Apr-16
Investment with insurer	**100%**	100%	100%

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

(i) Actuarial assumptions

	Gratuity (Funded)	
	31-Mar-18	31-Mar-17
Expected rate of return on plan assets #	**7.83%**	7.34%
Discount rate current year	**7.83%**	7.34%
Discount rate previous year	**7.34%**	8.08%
Age of retirement	**60 years**	60 years
Attrition rate	**2.00%**	2.00%
Future salary increase #	**7.00%**	7.00%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The 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.

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(ii) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

₹ Lakhs

	31-Mar-18		31-Mar-17	
	Increase	Decrease	Increase	Decrease
Gratuity (funded):				
Discount rate (1% movement)	**60.27**	113.14	48.52	100.05
Future Salary growth (1% movement)	**113.00**	105.46	99.88	48.25
Attrition (1% movement)	**86.25**	83.22	72.76	78.61

Although, the analysis does not take account of full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

40. Managerial Remuneration

During an earlier year, the Company had paid managerial remuneration to Late Hitesh Saiwal- Managing Director amounting to ₹ 102.07 lakhs which was in excess of the limits specified in section 197 read with Schedule V of the Act by ₹ 73.01 lakhs. The Company had made an application to the Central Government for waiver of such excess remuneration paid. During the year ended 31 March 2018, the Central Government has rejected the said application by its Order dated 11 August 2017. Further, based on the management's evaluation of the response received from legal heirs of Late Hitesh Saiwal to the notice sent for recovery of such excess remuneration, the Company has filed the application with the Central Government to reconsider its aforesaid Order.

41. Transfer Pricing

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

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

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.

Notes to the financial statements (Continued)

for the year ended 31 March 2018

42. Details of specified Bank Notes held (SBN) and transacted during the period 08 November 2016 to 30 December 2016:

Particulars	Specified Bank Notes	Other Denominations Notes	Total
Closing cash in hand as on 08 November 2016	0.04	0.11	0.15
Add : Permitted receipts	-	1.11	1.11
Less : Permitted payments	-	1.05	1.05
Less : Amount deposited in Banks	0.04	-	0.04
Closing cash in hand as on 30 December 2016	-	0.17	0.17

43. The previous year's figures were audited by a firm other than B S R & Associates LLP.

44. Figures for the previous year have been regrouped / rearranged wherever necessary to confirm with the current year's classification.

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 & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W / W-100024

Shiraz Vastani
Partner
Membership No : 103334
Place : Pune
Date : 24 May 2018

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

Aniruddha Karve
Director
DIN : 07180005
Place : Aurangabad
Date : 24 May 2018

Mukund Bhogale
Director
DIN : 00072564
Place : Aurangabad
Date : 24 May 2018

Atithi Majumdar
Chief Financial Officer
Place : Aurangabad
Date : 24 May 2018

Rupesh Khokle
Company Secretary
Place : Aurangabad
Date : 24 May 2018

Meereshwar Reddy
Manager
Place : Aurangabad
Date : 24 May 2018

MORGANITE CRUCIBLE (INDIA) LIMITED

CIN: L26920MH1986PLC038607

Registered Office: B-11, MIDC, Industrial Area, Waluj - 431 136 Dist. - Aurangabad.
Website: www.morganmms.com E-mail: rupesh.khokle@morganplc.com

33RD ANNUAL GENERAL MEETING – AUGUST 8, 2018

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. Folio No./DPID /Client ID	
No. of Shares	

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 33rd Annual General Meeting of the Company, to be held on Wednesday, August 8, 2018 at 11.00 am (IST) at B-11, MIDC, Industrial Area, Waluj Aurangabad - 431 136 and at any adjournment thereof in respect of the following resolutions:

Resolution No.	Resolution	For	Against
	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, 2018		
2.	Approval of final dividend for the financial year ended March 31, 2018 on Equity Shares		
3.	Re-appointment of Mr Mirco Pavoni as a Director of the Company		

Signed this ________________ day of ________________ 2018

Signature of Shareholder : ....

Signature of Proxy holder(s): ....

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.

Morgan
Advanced Materials

MORGANITE CRUCIBLE (INDIA) LIMITED

CIN: L26920MH1986PLC038607

Registered Office: B-11, MIDC, Industrial Area, Waluj - 431 136 Dist. - Aurangabad.
Website: www.morganmms.com E-mail: rupesh.khokle@morganplc.com

ATTENDANCE SLIP

33RD ANNUAL GENERAL MEETING – AUGUST 8, 2018

Regd. Folio No. / 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 33rd Annual General Meeting of the Company held on Wednesday, August 8, 2018 at 11.00 am (IST) at B-11, MIDC, Industrial Area, Waluj, Aurangabad - 431 136.

Proxy's name
(in BLOCK Letters)

Member's / Proxy's Signature

Notes:

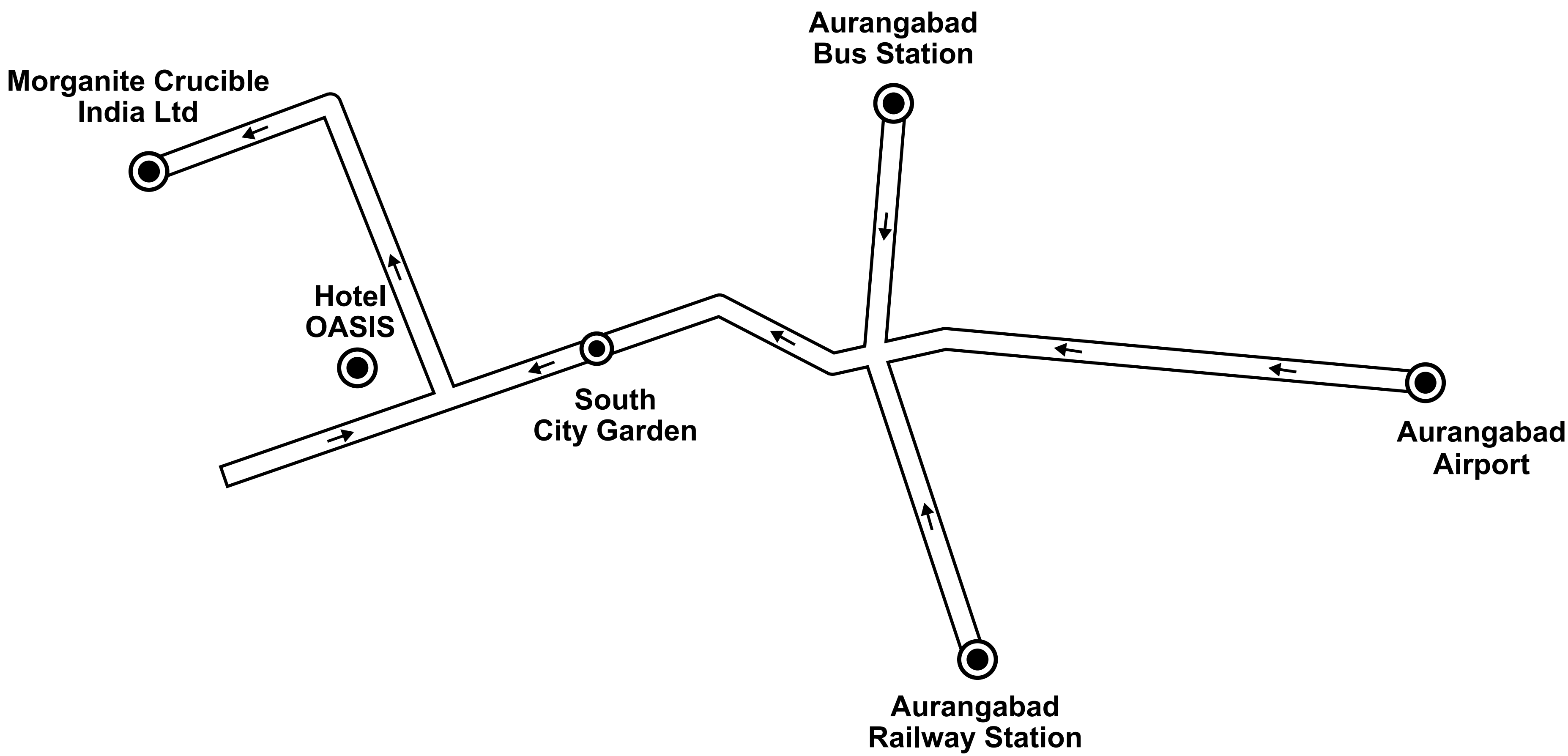
1. Shareholders/Proxy holders are requested to bring the attendance to the Meeting and hand them over at the entrance after affixing their signature.

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

....
.

Notes


Morganite Crucible
India Ltd
Hotel
OASIS
South
City Garden
Aurangabad
Bus Station
Aurangabad
Railway Station
Aurangabad
Airport

Printed at
UCHITHA
GRAPHIC
PRINTERS
PVT. LTD.

Morganite Crucible (India) Limited

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