

# B S R & Associates LLP

Chartered Accountants

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## Limited Review Report on Standalone Financial Results for the quarter and six months period ended 30 September 2017 of Morganite Crucible (India) Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

To the Board of Directors of  
Morganite Crucible (India) Limited

We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of **Morganite Crucible (India) Limited** ('the Company') for the quarter and six months period ended **30 September 2017** attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that figures for the corresponding quarter and six months period ended 30 September 2016 including reconciliation of profit under Ind AS of the corresponding quarter/period with profit reported under previous GAAP, as reported in these financial results have been approved by the Company's Board of Directors but have not been subjected to review.

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on this financial statements based on our review.

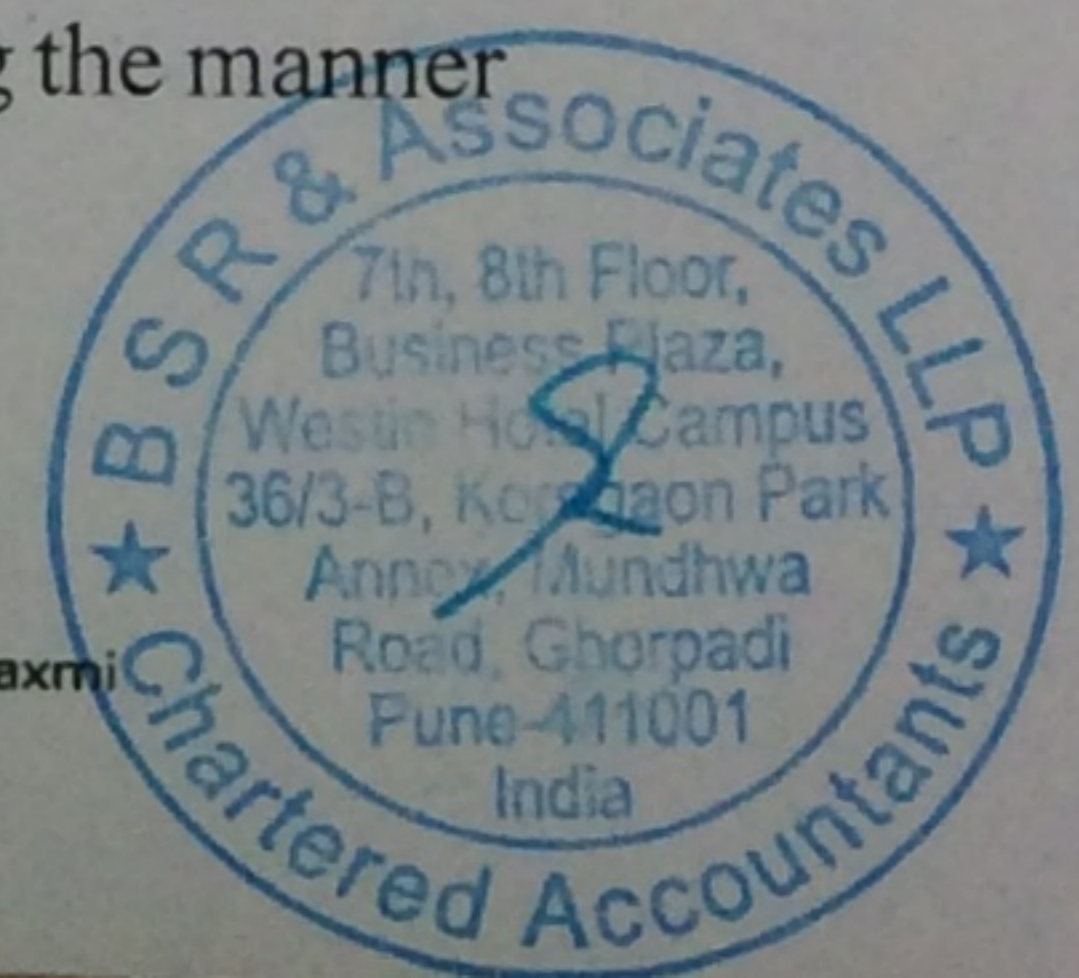
We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

The standalone unaudited financial results for the quarter and six months period ended 30 September 2016 included in the Statement, are based on the previously issued results of the Company prepared in accordance with the Accounting Standards as per Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 ("previous GAAP"). Those unaudited financial results prepared under previous GAAP were reviewed by the predecessor auditors, whose limited review report dated 10 November 2016 expressed an unmodified conclusion on those unaudited financial results. Management has adjusted those unaudited financial results for the differences in the accounting principles adopted by the Company on transition to Indian Accounting Standards ('Ind AS') and presented a reconciliation for the same, which has been approved by the Company's Board of Directors but have not been subjected to review.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of standalone unaudited financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5 July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

Registered Office  
5th Floor, Lodha Excelus,  
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N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011



## **Morganite Crucible (India) Limited**

**Limited Review Report on Standalone Financial Results for the quarter and six months period ended 30 September 2017 of Morganite Crucible (India) Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (continued)**

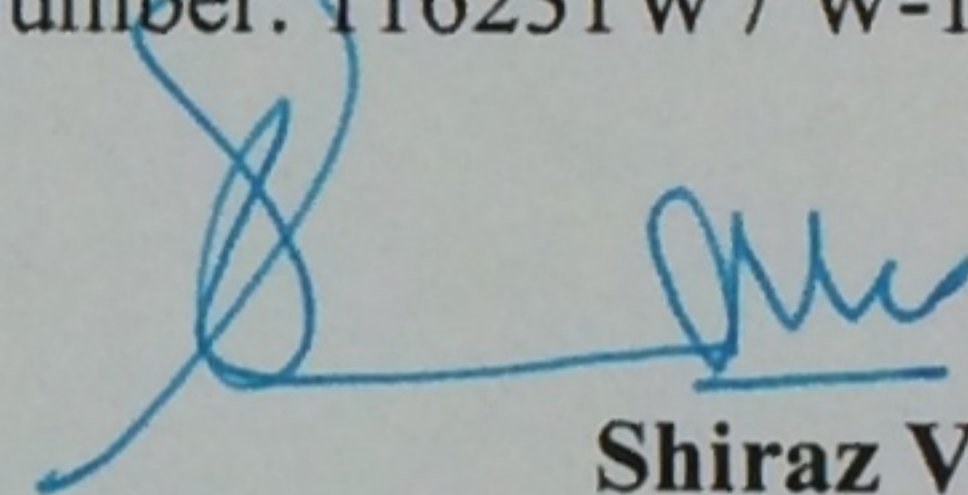
### **Emphasis of Matter**

During an earlier year, the Company had paid managerial remuneration to Late Hitesh Saiwal- Managing Director amounting to Rs. 10,207,067 which was in excess of the limits specified in section 197 read with Schedule V of the Act by Rs. 7,300,563. The Company had made an application to the Central Government for waiver of such excess remuneration paid. During the quarter ended 30 September 2017, 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 an application with the Central Government to reconsider its aforesaid Order. Our report is not qualified in respect of the said matter.

**For B S R & Associates LLP**

*Chartered Accountants*

Firm Registration Number: 116231W / W-100024



**Shiraz Vastani**  
*Partner*

Membership number: 103334

Place: Pune

Date : 9 November 2017

Morganite Crucible (India) Limited  
CIN number - L26920MH1986PLC038607

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

Statement of Standalone unaudited financial results for the quarter and half year ended 30 September 2017

(Rs. In lakhs)

Particulars	3 months ended	3 months ended	Corresponding 3	6 months ended	Corresponding 6
	30-09-2017	30-06-2017	months ended in	30-09-2017	months ended in
	Unaudited	Unaudited	the previous year	Unaudited	the previous year
			30-09-2016		30-09-2016
			Unaudited		Unaudited
<b>1. Revenue from operations</b>					
(a) Sale of products (refer note 8)	2,034.03	2,354.09	2,123.89	4,388.12	4,384.45
(b) Other operating revenues	68.18	37.06	112.09	105.24	225.37
	2,102.21	2,391.15	2,235.98	4,493.36	4,609.82
<b>2. Other income</b>	65.60	99.44	33.84	165.04	131.02
<b>3. Total income (1+2)</b>	<b>2,167.81</b>	<b>2,490.59</b>	<b>2,269.82</b>	<b>4,658.40</b>	<b>4,740.84</b>
<b>4. Expenses</b>					
(a) Cost of materials consumed	873.89	817.26	566.53	1,691.15	1,404.64
(b) Changes in inventories of finished goods and work-in-progress	(113.20)	62.26	167.58	(50.94)	87.54
(c) Excise duty	-	103.73	94.41	103.73	190.21
(d) Employee benefits expense	393.18	373.70	323.10	766.88	622.18
(e) Depreciation and amortisation expense	76.72	77.76	81.22	154.48	199.48
(f) Other expenses	585.71	666.39	604.02	1,252.10	1,212.73
<b>Total expenses</b>	<b>1,816.30</b>	<b>2,101.10</b>	<b>1,836.86</b>	<b>3,917.40</b>	<b>3,716.78</b>
<b>5. Profit before tax (3 - 4)</b>	<b>351.51</b>	<b>389.49</b>	<b>432.96</b>	<b>741.00</b>	<b>1,024.06</b>
<b>6. Tax expense</b>					
- Current tax	144.78	143.47	156.69	288.25	373.18
- Deferred tax	(29.24)	(13.49)	(2.75)	(42.73)	(11.39)
<b>7. Profit for the period (5-6)</b>	<b>235.97</b>	<b>259.51</b>	<b>279.02</b>	<b>495.48</b>	<b>662.27</b>
<b>8. Other comprehensive income</b>					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Remeasurement of defined benefit liability / (assets)	(9.58)	13.84	14.30	4.26	24.04
Income tax relating to items that will not be reclassified to profit or loss	3.32	(4.79)	(4.95)	(1.47)	(8.32)
<b>Other comprehensive income for the period, net of income tax</b>	<b>(6.26)</b>	<b>9.05</b>	<b>9.35</b>	<b>2.79</b>	<b>15.72</b>
<b>9. Total comprehensive income for the period (7-8)</b>	<b>242.23</b>	<b>250.46</b>	<b>269.67</b>	<b>492.69</b>	<b>646.55</b>
<b>10. Paid-up equity share capital (Face value per share Rs.10)</b>	<b>280.00</b>	<b>280.00</b>	<b>280.00</b>	<b>280.00</b>	<b>280.00</b>
<b>11. Earnings Per Share (EPS) (Rs.) - not annualised</b>					
(a) Basic EPS	8.43	9.27	9.97	17.70	23.65
(b) Diluted EPS	8.43	9.27	9.97	17.70	23.65



Morganite Crucible (India) Limited  
CIN number - L26920MH1986PLC038607

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

Statement of Standalone unaudited financial results for the quarter and half year ended 30 September 2017

Notes

- The Company adopted Indian Accounting Standard ("Ind AS") from 1 April 2017 and accordingly the transition was carried out, from the accounting principles generally accepted in India as specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 ("IGAAP" or "previous GAAP"), in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards. Accordingly, the impact on transition has been recorded in opening reserves as at 1 April 2016 and all the periods presented have been restated accordingly.
- The above standalone unaudited financial results for the quarter and half year ended 30 September 2017 have been reviewed by the Audit Committee and thereafter approved by the Board of Directors at their respective meetings held on 09 November 2017. These standalone unaudited financial results have been prepared in accordance with the Ind AS as specified under section 133 of the Companies Act, 2013 read with the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (India Accounting Standards) Amended Rules, 2016 and the provisions of the Companies Act, 2013.
- The Statutory Auditors of the Company have conducted a limited review of the above standalone unaudited financial results of the Company for the quarter and six months ended 30 September 2017. An unqualified report has been issued by them thereon.
- The Company is of the view that manufacturing of crucibles continues to be the only reportable segment. Accordingly, there is no separate reportable segments in accordance with Ind AS 108 - Operating Segments.
- The figures for the corresponding quarter and six months ended 30 September 2016, including the reconciliation of profit under Ind AS of the corresponding quarter with the profit reported under previous GAAP, have not been subjected to limited review or audit. The management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs. Reconciliation of profit, as previously reported under IGAAP to Ind-AS for the quarter and half year ended 30 September 2016:

Sr. No.	Nature of adjustments	(Rs. In lakhs)	
		Quarter ended 30 Sept 2016	Six months ended 30 Sept 2016
A	Net profit as per previous GAAP	265.89	626.06
B	Effect of transition to Ind AS on Statement of Profit and Loss:		
i	Effect of measuring financial assets at fair value	5.79	31.34
ii	Actuarial loss on defined benefits plans recognised in Other Comprehensive Income	14.30	24.04
iii	Deferred tax on the above Ind AS adjustments	(6.96)	(19.17)
	Total adjustment	13.13	36.21
C	Net profit for the period under Ind AS (A+B)	279.02	662.27
D	Total other comprehensive income (net of tax)	(9.35)	(15.72)
E	Total comprehensive income	269.67	646.55

- During the six months period ended 30 September 2017, the Company has acquired balance 49% equity shares of its subsidiary i.e. Diamond Crucible Company Limited (DCCL) from the other shareholder of DCCL at INR 1,675.00 lakhs. Due to this, DCCL has become wholly owned subsidiary of the Company.
- The Board of Directors in their meeting dated 10 August 2017 and members in their meeting dated 2 November 2017 have approved the scheme of amalgamation between Morganite Crucible (India) Limited and its wholly owned subsidiary Diamond Crucible Company Limited subject to further approval of the National Company Law Tribunal and other government authorities as maybe required and deemed fit. Pending necessary approvals, the Scheme has not been given effect in these results.
- In accordance with the requirements of Ind AS, revenue from sale of products for the quarter ended 30 September 2017 is net of Goods and Service Tax ('GST') . However, revenue from sale of products for the quarter ended 30 June 2017 and quarter ended and six months ended 30 September 2016 is inclusive of excise duty.
- Figures for the previous period have been regrouped / rearranged wherever necessary.

For MORGANITE CRUCIBLE (INDIA) LIMITED

*Aniruddha Karve*

Aniruddha Karve  
(Managing Director)  
DIN: 07180005

Place: Aurangabad, India  
Date: 9 November 2017



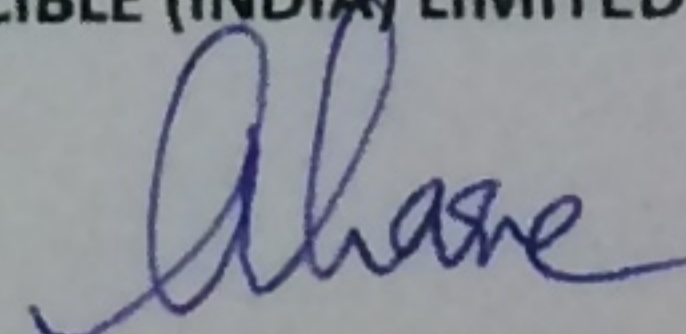
**Morganite Crucible (India) Limited**  
**CIN number - L26920MH1986PLC038607**  
Registered Office: B-11, MIDC Industrial Area, Waluj, Aurangabad 431 136

**Standalone unaudited Statement of Assets and Liabilities as at 30 September 2017**

	(Rs. In lakhs)
Particulars	As At 30-09-2017
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment	1,750.56
Intangible assets	4.80
Financial assets	
a) Investments in subsidiary	2,171.99
b) Other financial assets	23.58
Deferred tax asset (net)	178.95
Income tax assets (net)	165.26
Other non-current assets	220.79
<b>Total Non-current assets (A)</b>	<b>4,515.93</b>
<b>Current assets</b>	
Inventories	1,269.21
Financial assets	
a) Trade receivables	1,479.70
b) Cash and cash equivalents	1,603.99
c) Bank balances other than (b) above	1,108.23
d) Other financial assets	12.71
Other current assets	301.20
<b>Total Current assets (B)</b>	<b>5,775.04</b>
<b>Total assets (A+B)</b>	<b>10,290.97</b>
<b>Equity and liabilities</b>	
<b>Equity</b>	
Equity share capital	280.00
Other equity	8,228.42
<b>Total equity</b>	<b>8,508.42</b>
<b>Current liabilities</b>	
Financial liabilities	
a) Trade payables	1,224.62
b) Derivative contract liability	16.99
c) Other financial liabilities	226.33
Other current liabilities	104.20
Provisions	201.29
Current tax liabilities (net)	9.12
<b>Total Current liabilities</b>	<b>1,782.55</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>10,290.97</b>

For MORGANITE CRUCIBLE (INDIA) LIMITED

Place: Aurangabad, India  
Date: 9 November 2017

  
**Mr. Aniruddha Karve**  
(Managing Director)  
DIN: 07180005

